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# **The Challenge of Labour in China:**

## **Strikes and the Changing Labour Regime in Global Factories**

**By**

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A thesis submitted in partial fulfilment of the requirements for  
the degree of Doctor of Philosophy in Sociology

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## Table of Contents

<b>Table of Contents</b>	<b>1</b>
<b>Abbreviations</b>	<b>4</b>
<b>Illustrations</b>	<b>6</b>
<b>Acknowledgements</b>	<b>8</b>
<b>Declaration</b>	<b>11</b>
<b>Abstract</b>	<b>12</b>
<b>Chapter One</b>	<b>13</b>
<b>Introduction: Globalisation and Chinese Migrant Workers</b>	
<b>Chapter Two</b>	<b>33</b>
<b>Searching for the New Working Class: Theory and Methods</b>	
<b>Chapter Three</b>	<b>86</b>
<b>Labour Conflict in Shen Zhen: a Historical Review</b>	
<b>Chapter Four</b>	<b>136</b>
<b>Community and Shop Floor Culture: a Prelude to Workers' Protest</b>	
<b>Chapter Five</b>	<b>202</b>
<b>Strikes and Changing Power Relations in the Workplace</b>	
<b>Chapter Six</b>	<b>281</b>
<b>Workplace Conflict, Legal Institution, and Labour Regime</b>	

**Chapter Seven-----324**

**International Civil Society, Chinese Trade Unionism, and Workplace Representation**

**Chapter Eight-----359**

**Conclusion: Workers’ Struggle and the Changing Labour Regime in China**

**Bibliography-----384**



## **Abbreviations**

<b>ACFTU:</b>	<b>All China Federation of Trade Unions</b>
<b>AMRC:</b>	<b>Asia Monitor Research Centre</b>
<b>CCP:</b>	<b>Chinese Communist Party</b>
<b>CLB:</b>	<b>China Labour Bulletin</b>
<b>CSR:</b>	<b>Corporate Social Responsibility</b>
<b>CWWN:</b>	<b>Chinese Working Women Network</b>
<b>FDI:</b>	<b>Foreign Direct Investment</b>
<b>FIE:</b>	<b>Foreign Invested Enterprise</b>
<b>FOA:</b>	<b>Freedom of Association</b>
<b>GM:</b>	<b>General Manager</b>
<b>ILO:</b>	<b>International Labour Organization</b>
<b>IT:</b>	<b>Information Technology</b>
<b>JV:</b>	<b>Sino-overseas Joint Ventures</b>
<b>LSSB:</b>	<b>Labour and Social Security Bureau</b>
<b>MOLSS:</b>	<b>Ministry of Labour and Social Security</b>
<b>MSI:</b>	<b>Multi-stakeholder Initiative</b>
<b>NIC:</b>	<b>Newly Industrialized Country</b>
<b>NGO:</b>	<b>Non-governmental Organisation</b>
<b>OHS:</b>	<b>Occupational Health and Safety</b>
<b>POE:</b>	<b>Privately Owned Enterprise</b>
<b>PRD:</b>	<b>Pearl River Delta</b>
<b>QC:</b>	<b>Quality Control</b>

R&D:	Research and Development
SCRO:	State Council Research Office
SEZ:	Special Economic Zone
SKIZ:	She Kou Industrial Zone
SKIZFTU:	She Kou Industrial Zone Federation of Trade Unions
SOE:	State Owned Enterprise
SZMFTU:	Shen Zhen Municipal Federation of Trade Unions
SZMLSSB:	Shen Zhen Municipal Labour and Social Security Bureau
TNC:	Transnational Corporations
TVE:	Township or Village Enterprise
UCE:	Urban Collective-owned Enterprise
WTO:	World Trade Organization
YRD:	Yangtze River Delta
ZHMFTU:	Zhu Hai Municipal Federation of Trade Unions

## **Illustrations**

### **Tables:**

Table I: Foreign Direct Investment in China, 1990-2004.

(Page 96)

Table II: Reported Labour Protests of FIE Workers in the PRD from 1993 to 1994.

(Page 108)

Table III: Arbitrated Labour Disputes in China: 1993-2004.

(Page 119)

Table IV: Workers' Collective Action reported in the PRD from 2002 to 2005.

(Page: 125)

Table V: Reported Causes of Collective Actions in the PRD.

(Page: 126)

Table VI: Size, Gender and Original-place Attributes of Different Departments in the Sun Factory.

(Page: 172)

Table VII: The Level of the Legal Minimum Wage Rate in Shen Zhen.

(Page: 285)

### **Map:**

An Illustrated Map of Shen Zhen

(Page: 91)

## **Others:**

A Signature Petition Letter to the Top Management in the Moon Factory.

(Translation) (Page: 296)

A Public Letter Posted out in the Workshops before a Strike in the Moon Factory.

(Extract) (Translation) (Page: 298)

A Pamphlet Circulated during a Strike in the Moon Factory.

(Translation) (Page: 305)

A Letter Posted on an Internet Forum Expressing Workers' Grievances.

(Translation) (Page: 308)

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## Declaration

This thesis represents my own work, except where due acknowledgement is made. Part of the materials that constituted my dissertation for a MA in Comparative Labour Studies in this department (2005) has been used in chapter three of this thesis as indicated. Otherwise, this thesis has not been previously submitted to any institutions for a degree or other qualifications.

Signed: 

Chris King-Chi Chan



## Abstract

China has become a global manufacturing centre with its 'unlimited' supply of low cost and unorganised peasant workers. The potential of Chinese workers to change this condition has significant meaning for global labour politics. This study offers an ethnographic portrait and a sociological account of the transformation of labour relations and labour politics in China from 2004 to 2008 focusing on workers' strikes, community and organisation. It reveals how wages and working conditions are bargained, fought over, and determined in the global factories. Geographically this study concerns the city of Shenzhen, China's first Special Economic Zone (SEZ), where labour conflict is most prevalent. Historically, it is traced back to the late 1970s to explore how the pattern of labour conflict has changed over time. The author spent one year conducting participant observation based in a grass-roots labour non-governmental organisation (NGO) in an industrial zone from 2005 to 2006. A multi-case method is used to document workers' stories to strive for a higher wage and better working conditions and their relationships with management, NGOs, the trade union and the local state. The author suggests that benefiting from an expanding labour market, an escalating dynamic community, and the skilled and supervisory workers' network, workplace struggle has exerted significant challenges to the state authorities and the global capital. The capital responded to these challenges by work intensification, production rationalization, expansion and relocation. The local state reacted by better enforcement of the labour regulations and steady enhancement of the minimum wage rate, while the central state initiated a new round of labour legislation to better protect workers. The author refers to the changing labour regime in this stage as 'contested despotism'. Its potential to give way to a new form of factory regime is dependent on the possibility of effective workplace trade unionism.

## Chapter One

### Introduction: Globalisation and Chinese Migrant Workers

#### Introduction

*The integration of China's 1.3 billion people will be as momentous for the world economy as the Black Death was for 14<sup>th</sup>-century Europe, but to the opposite effect. The Black Death killed one-third of Europe's population, wages rose and the return on capital and land fell. By contrast, China's integration will bring down the wages of low-skilled workers and the prices of most consumer goods, and raise the global return on capital.*

*The Economist* (30 September 2004)

'Globalisation' and its impacts and implications have come under a new spotlight in a wide range of academic disciplines as well as among practitioners, policy makers and social activists alike. As a common understanding, to usher in the age of globalisation, the boundaries of national borders were broken down and a single global economy was created. As a result, international trade and investment increased dramatically from the mid-1970s. This global transformation was rooted in the economic crisis in 1973 (Wood et al., 1998). Relocation of production to the lower cost developing world was one of the significant strategies of capital in the West to boost the falling profit rate.

The crisis of capitalism in the West encountered a crisis of state socialism in the East from the 1970s. The reform and opening policy of China since 1978 to some extent has bailed out western capitalism from the crisis by providing an 'unlimited' supply of low-cost and unorganized labour. From the 1970s, even the newly industrialized countries (NIC) like South Korea, Hong Kong, Taiwan and Singapore, were also subjected to labour cost rises by a shortage of labour and rising workers' protests and organizing (Deyo, 1989). China then became a new haven of manufacturing investment and global production as soon as it was open to the world. The label 'Made in China' can now be seen everywhere in the world. South China has become a new global manufacturing centre, comparable to Manchester in the early nineteenth century, Birmingham in the early twentieth century, and the Asian tiger economies in the 1970s, but with a much bigger scale and scope. The potential of Chinese workers to change this condition has significant meaning for global labour politics. This study was designed to contribute to the debate on globalisation and labour with reference to China.

## **Understanding Globalisation**

Globalisation seems to be taken for granted as the 'common sense' of our era (Munck, 2002), yet its nature is widely contested in different academic disciplines. Regardless of its ambiguity, a common understanding of globalisation is that a rapid increase in international trade and investment from the mid-1970s has broken down national borders and created a single global economy – often called the 'global village'. The neo-liberal economists, therefore, present globalisation as a natural and inevitable process leading to economic growth. Scholars from the left, however,

generally take different views. There are two contested understandings of globalisation among those social scientists who were originally attached to the Marxist tradition.

For some of them, globalisation is a 'new historical epoch' in the name of 'new capitalism', 'post-industry', 'post modernity', 'post-Fordism', 'network society', 'risk society', and so on. The underlying implication of this 'new epoch' thesis is a pessimistic position on labour politics. In 1980, two influential works by continental sociologists were translated into English. Gorz (1980) declared *Farewell to the Working Class* in advanced capitalism, while Frobel et al. (1980) pointed out the trend of industrial relocation to the developing world in their notion of the 'new international division of labour'. Both authors suggested that a fundamental and qualitative change in capitalist production had universally weakened the power of the working class as predicted by Marx. Their works were sweepingly aped in the spectrum of left social scientists. Among others, another influential book was Rifkin's (1995) *The End of Work: The Decline of the Global Labor Force and the Dawn of the Post-market Era*, which provoked a theoretical debate surrounding the end of work. This school was generally called 'post-Marxism' in the light of its departure from Marx's class analysis and the notion of the historical agency of the working class in social transformation.

Their position was however rejected by neo-Marxist scholars from a wider range. Burnham (2001), drawing on the 'open Marxist' tradition, argued that capitalism from its very beginning has been an international system. Cohen (1987; 1991), influenced by world system theory which categorized the history of



capitalism into phases, argued that the division of labour in the history of capitalism is always changing and thus suggested a concept of the 'changing division of labour' to displace Frobel et al.'s (1980) 'new international division of labour'. Wood et al. (1998) further pointed out that Marx had already perfectly predicted the contemporary phenomenon of globalisation by quoting *The Communist Manifesto* written by Marx and Engels in 1848:

Exploitation of the world market [has] given a cosmopolitan character to production and consumption in every country.... All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries... that no longer worked up indigenous raw material but raw material drawn from the remotest zones, industries whose products are consumed not only at home but in every quarter of the globe. In place of old wants, satisfied by the production of the countries, we find new wants, requiring for their satisfaction the products of distant lands.... In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations.

Wood et al. (1998: 5)

According to Wood, although Marx did not use the term 'globalisation', all of the 'new' phenomena were stated clearly in his writings (Wood et al., 1998: 5). Therefore, Marxism remains a valid and powerful framework to study working class politics in the age of globalisation. Harvey (2001), however, contended that

orthodox Marxism missed the important dimension of 'space' in the study of class struggle. He emphasized the specific cultural and institutional factors in the national and local context in shaping the pattern of labour resistance and rejected the universality of working class politics. In spite of these sorts of differences, their common ground was that the logic of the capitalist mode of production remained unchanged and globalisation is only the further expansion of capital accumulation from Europe to the world (Cohen, 1987; 1991; Harvey, 1990; Wood et al., 1998; Burnham, 2001; Katz-Fishman et al, 2002; Silver, 2003). According to them, 'global capitalism' is a more accurate and precise rhetoric to portray contemporary globalisation. They argue that the labour and capital relation in capitalism is a continuously changing process, and what has happened in the past thirty years is another strategy of capital to lower production cost as a consequence of competition and economic crisis.

### **Crisis of Labour and Labour Studies**

The post-Marxist and neo-Marxist theorists, however, had a common understanding of the historical origin that made this intellectual turn after the early 1980s. According to Gorz (1980: 14), for example: 'There is a crisis in Marxist thinking because a crisis had developed within the labour movement'. Similarly, Silver (2003) pointed out that it was a crisis of the labour movement in the West that gave rise to a crisis of the Marxist school of labour studies. However, the two strains of thought had opposing perceptions on the future of working class power. The post-Marxists are highly pessimistic, while the neo-Marxists are generally optimistic.

As described by Frobel et al. (1980), transnational corporations (TNC) relocated low technology industries to developing countries with unorganized and low cost unskilled labour. The level of productivity in some newly industrialized countries (NIC), then, will 'match or exceed' the metropolitan economies (Frobel et al., 1980; see also Cohen, 1987: 222-227). These phenomena led some labour researchers to comment on a 'race to the bottom' among workers in different countries. The competition is not only between the North and South, but also within the southern countries; the relocation is not only from the high wage countries to the lower, but also from the better organized regions to the countries where workers' rights of association are constrained (Mazur, 2000; Ross and Chan, 2002; Chan and Robert, 2003; A. Chan, 2003). On the one hand, as workers are to be replaced by computerisation and automation, there will be an enormous loss of job opportunities; on the other hand, the flexibilisation of work, employment and society altered the patterns of work identities (Aronowitz and Difazio, 1994; Casey, 1995; Rifkin, 1995; Aronowitz and Cutler, 1998; Bauman, 1998).<sup>1</sup> As a result, production loses its significance in generating a movement of resistance, and consumption gains its pivotal role alternatively. The non-class-based identity movements are the only 'potential subjects of the Information Age', according to notable American theorist Castells (1997: 354, 360; cited by Silver, 2003: 2). The challenge that globalisation posed to traditional labour studies, nonetheless, is more than the decline of workers' collective power in the West. The state was said to lose its significance in regulating labour relations. Capital, in the form of the TNC, has gone beyond the boundary and

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<sup>1</sup> For a review and critique of this thesis see Strangleman (2007).

limit of the traditional nation-state and reached out to trade and investment at a global level.

This new development brought a challenge to two main streams of labour studies: industrial relations and industrial sociology. The former has a legacy in institutional analysis, but today state, trade union and collective bargaining have lost their importance. The latter was revitalized by Braverman's (1974) labour process studies and Burawoy's (1979; 1985) workplace ethnography, but the new development of the labour process debate, as criticized by Strangleman (2005: 7), has 'a tendency for a very narrow set of [business school centred] interests to emerge which has not always helped define or develop a broader sociology of work'. To be sure, the two traditions had come to integrate or compromise after the 1970s, especially in the UK where Fox (1966) called for absorbing industrial sociology into industrial relations, responding to the popularity of spontaneous shop floor struggles in that period. Now in the face of globalisation, the two traditions come to a similar reflection: linking up the local and global by comparative workplace studies (e.g. Bélanger et al, 1994) or global ethnography (Burawoy et al., 2000).

Marxist sociologists also attempt to break through the limitations of these two mainstream traditions of labour studies by proposing a new paradigm or approach for labour studies. Silver (2003: 5) used the statistics of western newspaper strike reports to show that 'while labor has been weakened in the locations from which productive capital emigrated, new working classes have been created and strengthened in the favored new sites of investment'. In contrast to Silver's generalized method, Cohen (1991) called for a specific approach: to new



international labour studies. According to him, traditions of industrial relations, trade union studies and labour history had all been inadequate to provide a satisfactory answer to the labour question since the 1970s. His 'new international labour studies' paradigm advocated that the agenda of labour studies should depend on the specific conditions in metropolitan, post-socialist and peripheral capitalism. Clarke used the analysis of the mode of production as a point of departure (Clarke et al., 1993) and applied a broader concept of 'labour relations' instead of the traditional 'industrial relations' in his study of labour conflict in Russia (Clarke, 1996). The most common trend of the new labour studies is however the effort to broaden the horizon of labour politics and bring in the role of other social movements. A large quantity of scholarly attention has been paid to the rise of social movement unionism in Asia, Africa and Central and South America (e.g. Moody, 1997; Munck, 1988; 2002; Munck and Waterman, 1999; Waterman, 1999; Hutchison and Brown, 2001). In these studies, the interaction between the traditional trade union movement and wider civil society was extensively discussed and sometimes highlighted.

Regardless of all these neo-Marxist attempts to revitalize labour studies, the sociology of work in general and the Marxist school of labour studies in particular experienced a decline and marginalization in the discipline of sociology. According to Strangleman (2005; 2007), this crisis was partially a result of the intellectual turn of post-Marxists on 'the end of work'. He condemned the 'end of work' thesis and suggested more empirical studies:

The working class are seen as passive victims of globalisation, local labour now simply waits to be exploited by all-powerful global capital.... It seems to me that the sociology of work stands at an exciting moment in contemporary capitalism, but in studying this moment it needs to draw on its historical rich resources and combine theory with empirical research.

Strangleman (2007: 100)

This study, accordingly, attempts to draw and reflect the new empirical evidence of labour politics in China, the new global production centre in the world, with a connection to the rich theoretical insights and empirical resources of labour studies in the West.

## **Chinese Migrant Workers in Globalisation**

With its population size and unprecedented booming economy, China has become one of the focuses in the debate on economic globalisation in recent years. After open door reform was launched in 1978 by the Communist leader, Deng Xiao Ping, China has risen to become a global manufacturing centre with an 'unlimited' supply of low cost and unorganised peasant workers. Its impact on the world is striking.

In 2002, China was the top world producer of 80 products, including colour TVs, washing machines, DVD players, cameras, refrigerators, air-conditioners, motorcycles, microwave ovens, PC monitors, tractors, bicycles (*The Economist*, 28 July 2005). From 2003, China has been the country receiving the largest amount of foreign direct investment (FDI) in the world. In 2005 China became the world's third largest trading country, surpassed only by the US and Germany. In 2006, China

escalated to be the fourth largest economy in the world in terms of GDP (2,226 billion US dollars). Alongside the dramatic economic growth in quantity, the manufacturing structure was also moving into high-end goods. Electronics products made up fifty-six per cent of total exports in 2006 (*China News Net*, 11 December 2006). Its advanced technology exports are second only to the US, and China will overtake Japan to become the second largest investor in research and development (R&D) in 2007.

Despite this advance, with twenty-nine per cent of the world's work force, labour cost in this giant 'global factory' is as low as only one-sixth that of Mexico and one-fortieth that of the US (Lee, 2004). In fact, the GDP per capita in China increased from 379 yuan in 1978 to 8,959.8 yuan (1,090 US dollars) in 2003 (G. H. Chen, 2004). But in 2006, its GDP per capita (1,702 US dollars) still ranked as low as 110<sup>th</sup> in the world (*China News Net*, 11 December 2006). This contradiction of rapid growth and cheap labour cost, high total amount and low per capita figure has attracted comments on China's role in driving a 'race to the bottom' in globalisation from labour researchers, the labour movement, businesses and politicians (Chan and Robert, 2003; *Business Weekly*, 22 December 2003; Izraelewicz, 2005; Au, 2005) as well as eye-catching journalist reports, as quoted at the beginning of this chapter. The potential of Chinese migrant workers to improve their conditions, therefore, has significant meaning for global labour politics. Underlying this phenomenon is the transformation of the form of employment and industrial ownership in China.

On the one hand, from 1990 to 2003, the number of industrial workers employed in State-owned Enterprises (SOE) declined from 43.64 million (68.4 per

cent) to 13.34 million (36.3 per cent) (National Bureau of Statistics of China, 2000; 2005; cited by Lee, 2007a: 40). Another source showed that 26 million or 40.5 per cent of manufacturing jobs were lost from 1996 to 2001 during the privatisation reform of state-owned and -controlled enterprises (X. Jiang, 2004; cited by Au, 2005). In terms of industrial output, the state-owned or state-controlled sector dropped from 75 per cent in 1981 to only 28 per cent in 1999 and 38 per cent in 2003 (Lee, 2007b: 39). The remaining SOE workers also experienced escalating exploitation and labour intensification under the threat of losing their jobs (Au, 2005; Lee, 2007a). On the other hand, according to the national census in 2000, the number of rural–urban migrant workers in China, a practice that was prohibited before 1978, was as high as 120 million. Now peasant migrant workers represent 57.5 per cent of the manufacturing workforce (Lee, 2007a: 6). Most of the boom in manufacturing is labour-intensive and export-oriented light industry in the coastal regions, especially the Pearl River Delta (PRD) in the South and the Yangtze River Delta (YRD) in the East.

The subordination of migrant workers was further exacerbated by the Household Registration System (*Hukou*), which originated in 1958 as a socialist mechanism to stop the peasants moving to the city. A household-based production contract system (*Jiating Lianchan Chengbao Zerenzhi*) was introduced in 1978 to release peasant workers from the collective and forced labour of communes to the cities. However, although it was loosened, the *Hukou* system continues to deny urban citizenship to migrant workers, who were supposed to settle in the cities only



temporarily. Most of them settled in factory-provided dormitories. The rural *Hukou*, however, guarantees them a piece of farming land in their home village.

In short, in the past three decades, the manufacturing centres in China have been moved from the interior and the North to the coast and the South, and young temporary migrant workers, who work in conditions of low pay, long working hours, despotic management and appalling environment, have gradually replaced veteran urban permanent SOE workers with their ‘iron rice bowl’.

### **Labour Relations in Transition**

In the wake of an emerging market economy, the state set up a legal regulation framework to replace the ‘socialist’ administrative regulation in the mid-1990s (Ng and Warner, 1999; Taylor et al., 2003; Clarke et al., 2004). In 1993, the ‘Enterprise Minimum Wage Regulation’ was issued by the Ministry of Labour. Under the regulation, local governments are given the autonomy to formulate their own legal minimum wage. More significantly, a Labour Law was legislated in 1994. The law laid down a foundation for workers’ legal and contractual rights, a system for solving labour disputes as well as collective contracts and collective consultations between the trade union and management (Clarke et al., 2004). The right to strike has not been recognized by the law since it was removed from the constitution in 1982 (Taylor et al., 2003), but any action to disrupt social order is illegal under section 158 of the Penal Code.

The local authorities, nonetheless, were passive in enforcing the laws (Cooke, 2005) and migrant workers were usually paid below the legal minimum (A. Chan, 2001). According to the law, all trade unions should be affiliated to the All China

Federation of Trade Unions (ACFTU), which is under the leadership of the Party. About thirty per cent of non-state enterprises have established trade unions, and the trade union presidents are typically managers (A. Chan, 2001; Cooke, 2005). As a result, trade unions cannot fulfil their primary role as stipulated in the Labour Law (Chapter 1, Article 7): to 'represent and protect the legal rights and interests of workers independently and autonomously'.

The arbitration procedure, then, became the main channel to solve individual and collective disputes between migrant workers and their employers. The total number of registered labour dispute cases increased from 12,368 in 1993 to 260,471 in 2004 (National Bureau of Statistics of China, various years). In recent years, spontaneous strikes have also been staged by migrant workers in workplaces to show their discontent (Lee, 2000b; A. Chan, 2001; Taylor et al., 2003: 175).

### **My Puzzle**

In the face of this spectacular social change in China over the past three decades, my puzzle is to discover the role of workers in this process. Marx (1967; 1977; 1980) attributed industrial workers a privileged historical role in advancing social change in capitalism, which is embedded in the labour process. According to Marx, exploitation in capitalist production leads to workers' economic struggle within the workplaces for improvement of working conditions and wages, and the consciousness formed from these experiences gives rise to workers' organisations and political struggles based on class interests. Does contemporary China's case, or in a wider perspective, labour politics in the era of globalisation, further prove the failure of Marxism as an analytical tool? Does it confirm the post-Marxist theorists

who forcefully contended that the working class has been 'dead' in the new age (Gorz, 1980; Castells, 1997).

Here my special concern is the migrant industrial workers rather than the state workers. To be fair, the state workers have staged campaigns and protests against the state's initiative to privatise SOEs or demanded proper lay off compensation and pensions, the scale and duration of which have never been witnessed among the migrant workers. As a result, more academic attention has been paid to the protests of the state workers (Lee, 2000a; 2002a; 2007a; Cai, 2002; Hurst and O' Brien, 2002; F. Chen, 2000; 2003a; 2006). However, as long as the SOE workers failed to challenge the wave of privatisation, their role as an agency for social transformation was also weakened as a result of their numerical decline and the change of labour relations in the SOEs. In contrast, strikes and other forms of protests are emerging among migrant workers in the South.

As far as migrant workers are concerned, the reform began with the liberation of 'labour', but resulted in new forms of bonded labour (A. Chan, 2000; 2003). Exploitation has continuously intensified. For instance, in 2004, the Chinese government Ministry of Labour and Social Security (MOLSS, 2004; cited by A. Chan, 2006a: 285) announced this:

Studies show the salary of migrant workers in the PRD has grown by a mere RMB 68 (US \$ 8.2) over the last 12 years, far behind the increase in living expenses, and in real terms, wages were declining. Nevertheless, wildcat

strikes and other less confrontational forms of resistance have erupted in an increasing number of these factories.

As human beings, working men and women should not be viewed as passive victims of the globalisation process. In fact, ethnographic workplace studies of women workers, who are at the lowest end of the global production chain, have shed light on the micro-resistance strategy of workers (Lee, 1998; Sargeson, 1999; Pun, 2005a). However, as world labour history has shown, without mobilisation and organisation, labour as a social force is unable to challenge the dominance of capital in the workplace, community and society. Why do Chinese workers seem to fail to pose such a political challenge to their rivals, global and domestic capital? To answer this question, we should study the (un)making of migrant workers' subjectivity in contemporary China. What is the solidarity base of migrant workers today? What factors have facilitated or impeded the formation of a class-based action strategy?

One may assume that the history of China's integration into global capitalism is still short. However, in neighbouring South Korea a significant labour movement arose in the 1980s after thirty years of rapid industrialization (Koo, 2001). One may argue that socialist totalitarianism pre-empts any such social force. But as history in many other countries has shown, a democratic government is a consequence rather than a condition of workers' struggle and mobilisation (Collier, 1999). Although historical and political factors may impinge on the formation of workers'



subjectivity, we need a sociological account to reveal how these forces do or do not function.

In fact, recent studies have documented migrant workers' activism in China (Sargeson, 2001; Smith and Pun, 2006; Lee, 2007a). While Sargeson and Smith and Pun called for more empirical studies, Lee concluded that migrant workers' protest is more likely to be a legally-based citizens' movement which targets the state. Yet media reports and observation in South China have revealed an emerging form of labour strikes after 2004 in parallel with a shortage of labour in the region (e.g. *Nanfang Ribao*, 7 October 2004). Without independent trade unions in the workplace and the fundamental weakness of non-governmental organisations, if any, in the community, one may consider that all of these strikes were spontaneous stoppages and so not significant in social change. However, studies in the West remind us that all wildcat strikes have had their underground leaders and hidden logic which awaits sociological exploration and explanation (Gouldner, 1954; Hyman, 1989).

## **My Approach**

In the light of these considerations, I view the strike and its relation to workplace organisation as the best scenario in which to study the formation of workers' subjectivity and its implications for labour as a social force. Neo-Marxist labour historians remind us that the formation of working class subjectivity is not economically determined; rather, it is a historical process involving numerous and long-drawn-out struggles (Thompson, 1963). Moreover, in order to prevent a teleology, we should put workers in the centre and give 'voice', as feminist scholars

coined the term, to workers themselves. Here ‘voice’ is an action, an articulation of interests and strategy formation in a specific historical and spatial context to combat the business-state complex. For the sake of listening to the ‘voice’, I chose to conduct participant observation in the workplace and workers’ community; for the sake of giving meaning and interpretation to the ‘voice’, I situate the local ethnography into the broader history and social structure.

I chose the city of Shen Zhen, China’s first and most flourishing Special Economic Zone (SEZ), in the province of Guang Dong to conduct my fieldwork. Selection of this city was not only because it is a ‘powerhouse’ of the ‘global factory’ (Lee, 1998), but also the city most prone to labour conflicts. The number of cases handled by labour dispute arbitration committees in Shen Zhen was reported to be as many as one-tenth of the total national figure (*Nanfang Ribao*, 28 October 2004).

## **My Argument**

The ‘linguistic turn’ in social science has exerted a profound effect on labour studies. The dominance of class analysis among the old generation of labour studies was said to be a project of ‘modern discourse’ (Cannadine, 1999; Day, 2001; Skeggs, 2004; cited by Thiel, 2007: 230). Under its influence, the new researchers turned to study workers’ identity(ies) by their language and communication (e.g. Thiel, 2007). If not fully rejected, class was downplayed as one of the multi-faceted identities of workers. This approach risks a pragmatic pluralism. In this research, I reject this notion of class and view class as a social relation of production. As Clarke (1978) illuminated, the concept of class relations is analytically prior to its political,

economic and ideological forms although these two sides of class are not separated from each other in reality. The meaning of studying workers' identification in struggle and day-to-day life is to disclose how class struggle unfolds in specific contexts. In short, I see class formation as a historical process which departs from a capitalist relation of production (Thompson, 1963; Katznelson, 1986).

On the basis of this theoretical orientation, I attempt to explain the distinctive forms of class struggle in contemporary China, which I call 'class struggle without class organization'. Through multiple ethnographic case studies, the potentials of migrant workers' protests in challenging global capital are examined. I suggest that the rapid expansion of global capitalism into China has intensified class struggle in the workplace and beyond and has given rise to an emerging form of labour protest in the country. The migrant workers' protests against global capital have become more and more radical, tactical and coordinated. Workers' protest has posed a profound challenge to both the state authorities and global capitalists. Nonetheless, working class formation has been dislocated by the state strategy of labour regulation and social control. Although workers' class-consciousness has been strengthened, in particular that of the mature skilled workers, the formation of workplace organisation, which can play a primary role in representing workers' interests, was impeded by the lack of institutional and external support. The right to strike is not recognized by the law. The function of the ACFTU, the official trade union, is constrained by the state's aspiration to maintain industrial peace and social order. International civil society, despite its active role in promoting corporate social responsibility (CSR) and the anti-sweatshop movement, is too vulnerable to provide

support to workplace organisation in the context of China. As a result, informal networks prevail in the social and working life of migrant workers and act as an organising base for workers' protest. Despotism still prevails in the labour process, but state regulation, NGO activism, and workers' collective actions exert more and more pressure on the conduct of the management. Without class organisations, the emergence of a labour movement is unlikely, but the unstable workplace relations and labour market also present a challenge to both state and management and lead to steady improvement of general working conditions. In the light of these conditions, I theorize the factory regime in this time-space as 'contested despotism' under 'a changing labour regime' (R. Edwards, 1980; Lee, 1999).

## **Structure of the Thesis**

This thesis consists of eight chapters. Chapter Two provides a more thorough discussion of the traditions and theories of labour studies in the West as well as a review of the class discourse and labour studies literature in China, followed by a reflective elaboration of research methodology. Chapter Three is based on documentary research to develop a retrospective analysis of the transformation of labour disputes from the early 1980s to 2004 in Shen Zhen and suggest the research gap should be filled by further empirical evidence. Chapter Four provides the findings of my half-year's participant observation in a migrant workers' urban community. The complicated social relations of place, gender, skill and age are revealed in this part. These dynamics of the community provoked workers' militancy and solidarity in a large strike in 2004 after the rise of a 'labour shortage'. The strike took place first in one department in opposition to the factory's



rationalization reform, which aimed to discipline the skilled workers, and then extended to the whole factory and other factories in the community. Workers asked for enforcement of the legal minimum wage. The cause, social formation, process and impact of this strike are portrayed in Chapter Five. This Chapter also introduces the labour process and labour recruitment in the factory before and after the strike and the transfer of the strike experience to the company's new subsidiary plant in the city of Hui Zhou. Working conditions and the labour process in these two factories are compared. Chapter Six presents a new development of the strike pattern in 2007 through another case study. After the strike wave in 2004 and 2005, the Shen Zhen city government dramatically enhanced the legal minimum wage rate. In 2007, however, it decided to retain the minimum rate unchanged. This act, together with a similar rationalization reform to that on the eve of the 2004 strike, touched off a new strike in another factory in the town in which the 2004 strike had taken place. This strike however was coordinated to occur on the same day in two factories of the same owners in different towns. Workers' demands went beyond the limit of the law to ask for reasonable wages and improvement of living and working conditions. Chapter Seven examines the potential and limitations of workplace organizing under the international CSR programme. Data was gained from case studies of the author's intensive participation and interviews. Chapter Eight is a concluding chapter to overview the changing characteristics of workplace struggles in China and their implications for the transformation of labour regime, Chinese society, and international labour politics.

## Chapter Two

# Searching for the New Working Class: Theory and Methods

## Introduction

*While labor has been weakened in the locations from which productive capital emigrated, new working classes have been created and strengthened in the favored new sites of investment.*

Silver (2003: 5)

The year 1978 was one of the turning points in contemporary history. In Britain, the ‘winter of discontent’ brought thousands of workers onto the streets protesting against the Labour government. Under the slogan of ‘Labour isn’t working’, the Conservative Party began its eighteen-year long rule in the country in 1979. The rise of Margaret Thatcher in the UK and her transatlantic counterpart Ronald Reagan in the US signified the rise of neo-liberalism in world politics. The crisis of capitalist ‘social democracy’ met a crisis of their ‘socialist’ rivals in the late 1970s. In China, Deng Xiao Ping, a leader of the ‘capitalist path faction’ (*Zouzipai*) in the rhetoric of Mao, stepped up among the political turmoil after Mao’s death and bravely launched an ‘open and reform’ policy. Whilst the developed West moved towards a ‘post-industrial society’, China embarked on an unprecedented project of industrialization. The relocation of manufacturing from the West to post-colonial and later post-

socialist countries has dramatically reshaped contemporary class relations, internationally and nationally.

Gaining insights from a lengthy tradition of labour studies in the West, this research attempts to grasp the (un)formation of a new working class under the ongoing industrialization in China. This chapter begins from a review of two traditions of labour studies, Marxism and liberalism. These two traditions converged with each other when a strand of new left intellectuals intervened into the expanding academy after the 1960s. While neo-Marxist industrial sociology left us a valuable legacy of ethnography to study micro-workplace relations, the social history and political economy traditions of labour studies offered the tools to bridge the local workplace with wider history, society and the global phenomenon. Contextualizing within the 'new international labour studies' paradigm and the transformation of class analysis in China, this chapter drew insights from the contemporary debate on the politics of class and identity triggered by post-structuralism and post-culturalism. Inspired by post-1960s feminist research, the chapter ends with a methodology reflection of personal history, value and power in the research process.

### **Liberal Tradition of Industrial Studies**

Labour studies in the modern world traces back to the inspection of the working conditions of the newly emerging industrial workers of the nineteenth century. From the 1830s onwards, humanist practitioners, lawyers, historians and economists began to investigate the 'labour problem' as a 'social question' in Western Europe (Hobsbawm, 1969; Linden and Voss, 2002; Ackers and Wilkinson, 2005). Despite their sympathetic portrait of the plight of the industrial workers, these early practical

writings paid little attention and analysis to the development of workers' organizations<sup>2</sup>.

From the late 1860s onwards, labour movements became more visible in Europe and the US with the establishment of national trade union federations and working class parties.<sup>3</sup> The political shift inspired an intellectual turn away from the broader issues of the working class to the labour organizations. The 'institutional approach' that focused on the development of trade unions dominated the spectrum from the 1870s (Linden and Voss, 2002). In Britain, Sidney and Beatrice Webb<sup>4</sup> laid out a sound foundation for the discipline of industrial relations in the later stage.

The growth of trade unionism from the late nineteenth century and the reformist concessions from state and capital gave rise to the prevalence of collective bargaining, a term devised by the Webbs (Zeitlin, 1987; P. Edwards, 1995). The post-war boom further created conditions for promises of welfare states and industrial 'Fordism'. The institutionalization of labour conflict within a collective bargaining framework made industrial workers cease to be a 'potential problem' for social and industrial peace. From the 1950s, industrial sociology was subsumed to 'organization theory', in which a unitary perspective of industrial harmony was presumed in the US (Braverman, 1974; Burawoy, 1979). In the UK, concentrating on policy and practice of collective bargaining, 'industrial relations' as a distinctive discipline was established in the 1950s by the 'Oxford School'. Its mainstream took

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<sup>2</sup> Among the first generation of observers, Marx and Engels distinguished themselves by privileging the proletarian workers with an historical role to overthrow capitalism. Their works are reviewed in the next section.

<sup>3</sup> The first national trade union federation was the British Trades Union Congress (TUC), which was established in 1868, while the first working class party was the German Social Democratic Party founded in 1875. In the following decades, all western European countries formed national trade union federations and working class parties (Linden and Voss, 2002).

<sup>4</sup> For their key publications, see S. and B. Webb (1898; 1920a; 1920b).



a pluralist view, seeing trade unions and employers' associations as two equal parties (Flanders and Clegg, 1954).

## **Marxist Tradition of Working Class Studies**

The first critical explanation of the industrial revolution was provided by Engels (1969) in *The Condition of the Working Class in England*, which was first printed in Germany in 1845. As Hobsbawm (1969) pointed out, the main distinction of Engels from other observers in the epoch was that he situated the formation of a working class within the political economy of industrial capitalism and observed the rise of the labour movement as a necessary consequence of workers' resistance to exploitation. In spite of this empirical and theoretical contribution, Engels (1969: 26) conceded in the 1892 preface that the book was never a mature work but an early stage of 'its embryonic development', and an up-to-date portrait of the British working class was provided by Marx in *Capital Volume I*. The writing of *Capital I* was based on observation until 1865, and its contribution was more to the scientific critique of the capitalist mode of production and its historical consequences. In both *Capital I* and the earlier *Communist Manifesto*, Marx anticipated the necessary replacement of capitalism by socialism through workers' political struggle. According to him, exploitation in capitalist production will lead to workers' economic struggle within workplaces for the improvement of working conditions and wages, and the consciousness formed from these experiences will give rise to workers' organizations and political struggles based on class interests. However, the history of capitalism after his death showed that a political struggle or revolution was not necessarily structurally embedded in the capitalist mode of production. The

interpretation of the pathway toward socialism also divided his successors into the parliament-based 'social democracy' and revolutionary 'communism'.

The ambiguity and partial publishing of Marx's manuscripts offered a contested domain over the understanding of his writings (Clarke, 1991). One of the key debates concerned Marx's vague distinction of a conscious 'class-for-itself' from a structural 'class-in-itself'. In *Poverty of Philosophy*, Marx wrote:

Economic conditions had first transformed the mass of the people of the country into workers. The combination of capital has created for this mass a common situation, common interests. This mass is thus already a class against capital, but not yet for itself. In the struggle, of which we have noted only a few phases, this mass becomes united, and constitutes itself as a class for itself. The interests it defends become class interests. But the struggle of class against class is a political struggle.

Marx (1982: 36)

The classic debate around this question was between the 'determinist' social democrats and 'voluntarist' Leninists on the relationship between structure and agency towards socialist revolution. The 'determinists' suggested that the development of capitalism will ultimately remove workers' false consciousness and reveal their objective common interests towards political action. Voluntarists, on the other hand, argued that workers themselves were unable to advance naturally the political consciousness for a socialist revolution without education from intellectuals (Z. H. Wang, 1993). In fact, Marx implied in *Capital I* that it is the historical experience that enhances workers' political consciousness or, in modern terms, a

class 'subject': 'It took both time and experience before the workers learnt to distinguish between machinery and its employment by capital, and to direct their attacks, not against the material instruments of production, but against the mode in which they are used' (Marx, 1967: 447).

Workers' internationalism, as advocated by Marx and Engels, reached its height in the years before 1914 (Cohen, 1991; Waterman, 1999; Phelan, 2006). After the 1920s, intellectuals on the left were either attached to the Stalinism of the Soviet Union and overstressed the achievements of the working class or were anxious to provide a philosophical account of the corruption of 'socialist' Russia and the failure of the Russian revolution to spread out as promised in Marx's writings (Anderson, 1976; Cohen, 1991). The invasion by the Russian Red Army of Hungary in 1956 first drove some students away from the myth of Stalinism, politically and intellectually. Louis Althusser and E. P. Thompson rose to be two rival popular scholars in this movement. This trend was further reinforced in the mid-1960s when the development of the capitalist crisis and working class militancy stimulated students' interests in Marx concerning the working class movement (Clarke et al., 1980).

As already shown, by the 1960s, labour studies were separated into two traditions, the industrial studies tradition in academic institutions and the Marxist tradition among trade unionists and left wing activists (Cohen, 1991). The scenario gradually changed after the 1960s. The expansion of higher education and the legacy of the student movement of the 1960s granted an opportunity for a new generation of Marxist students to enter the mainstream academic institutions of sociology,

industrial relations, history, geography, and politics as well as other social science disciplines (Ackers and Wilkinson, 2005; Burawoy, 2005a). From then onwards, 'neo-Marxism', with its internal variations and contradictions, recaptured the field of labour studies in different academic disciplines.

## **Labour Process: Production, Subjectivity and Politics**

Marx's theory of revolution in fact departed from his analysis of the labour process. Yet this tradition was lost until Braverman published his work *Labor and Monopoly Capital* in 1974 that triggered a long debate.<sup>5</sup>

In *Capital 1*, Marx (1967: 177) stated: 'The capitalist buys labour-power in order to use it; and labour-power in use is labour itself. The purchaser of labour-power consumes it by setting the seller of it to work.' Here, the separation of the concepts of 'labour' and 'labour power' is a starting point for the labour process theory.

As Marx elaborated, in the modern factory, the passage of raw material in the production process was run by machinery. Workers were then deskilled and their skills embodied in the machinery. Although the machinery acted as a facilitator of the labour process and replaced part of the labour force, capitalists would only use it as far as the value of the machine is lower than the value of the labour-power replaced. Therefore, capitalists adopted additional strategies to reduce production cost. First, women and children were recruited to lower the wage level. Second, the productiveness of labourers was increased by either intensification of labour or lengthening of the working day.

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<sup>5</sup> According to Braverman (1974), this neglect was due to two factors: the comprehensiveness of Marx's study and the distraction of the Marxists to study revolutions and labour uprisings from the early twentieth century.



Although modern industry was despotic, Marx did not think workers were unilateral victims. The contradictions and antagonisms of workers and capitalists are indeed inseparable from the capitalist employment of machinery. Workers would learn through day-to-day struggle to form a united working class leading to a revolution. However, there is a consciousness gap between struggling against machinery and struggling against the capitalist mode of production<sup>6</sup>.

In short, the foundation of Marx's analysis of the labour process was built on his critical analysis of the relations between collective labour and fixed capital in production. Braverman extended this analysis to the 'monopoly capitalism' epoch. Braverman argued that the deskilling effect of capitalist industrial production had extended from manufacturing work to new occupations, such as clerical and retail trade jobs.

The deskilling thesis sparked numerous critiques for its neglect of the alternative strategies to labour subordination, the role of class struggle and the material and ideological conditions (e.g. Brighton Labour Process Group, 1977; Friedman, 1977; R. Edwards, 1980; Elger, 1982; Armstrong, 1988). A more striking assault was however from Michael Burawoy, who challenged Braverman for ignoring the 'subjectivity' of workers. According to him: 'An understanding of capitalist control cannot, almost by definition, be reached without due attention to the "subjectivity" components of work' (Burawoy, 1985: 24). In developing his own theory, he introduced the concept of *Manufacturing Consent* to argue that industrial peace is a result of 'consent' between management and workers (Burawoy, 1979).

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<sup>6</sup> This is also a starting point of the debate on the 'class-in-itself/class-for-itself' transition which fascinated generations of Marxists, about which a brief review was presented in the following sections.

By comparing labour processes in various political regimes, Burawoy brought in a concept of the 'politics of production' to illuminate the role of the state in shaping workplace relations (Burawoy, 1985).

Apart from his theoretical contribution, Burawoy regenerated a current of micro-ethnographic workplace studies that originated from the Chicago sociology school in the 1920s (Burawoy et al., 2000). While Burawoy's study was to explain 'consent', the British tradition of workplace research emphasized the co-existence of consent and dissent and explored the role of collective organization in the workplace (e.g. Batstone et al, 1977; Nichols and Beynon, 1977; Pollert, 1981; Westwood, 1984; Thompson and Bannon, 1985; Delbridge, 1998). As a response to shop floor industrial unrest in the 1960s, the British government commissioned the 1968 Donovan Report. Under a recommendation of the report, the Warwick Industrial Relations Research Unit was established in 1970 and joined the trend of workplace ethnography to study 'resistance'. Students from the new left broke away from the pluralist analytical tradition of industrial relations and provided rich ethnographic evidence and theoretical grounding for informal workplace conflicts (e.g. Edwards and Scullion, 1982; P. Edwards, 1986; Belander, Edwards and Haiven, 1994). Acker and Wilkinson (2005: 450) commented that although the new school left 'a positive legacy of rich workplace ethnographies, combining IR institutions and "factory sociology"', '[it] lost wider understanding of the link between work and society'.

The labour process studies in general were also criticized as having 'a tendency for a very narrow set of interests' (Strangleman, 2005: 7). In his own reflection, Burawoy (2005b) conceded that workers' community and the tendency of

industrial relocation were missed out in his early labour process studies. This gap was significantly filled by radical geographer David Harvey, who pointed out that capital needed transnational provisional settings to accumulate (Harvey, 1982; 2001). His study of Oxford automobile workers with a colleague witnessed that community and broader civil society played an essential part in nurturing a culture of solidarity (Hayter and Harvey, 1993).

### **Labour History: Community, Culture, and Class**

While community was missed out in the labour process tradition, labour historian E. P. Thompson inspired a long-lasting interest in working class community. In his seminal book first published in 1963, *The Making of the English Working Class*, Thompson departed from orthodox working class studies which concentrated on trade unions and labour parties and highlighted the role of workers' culture, social life and struggle experience in the formation of a conscious class from 1790 to 1832. He rejected class as a 'structure' or 'category' derived directly from the position in the mode of production, and instead suggested that class was a 'historical phenomenon' which was influenced by 'traditions, value-systems, ideas, and institutional forms' and embodied in a real context of class struggle (Thompson, 1980: 10-11). For Thompson, the meaning of class is the notion of 'class-for-itself' entailing a 'subjectivity' or 'class consciousness', rather than the rigid structure of 'class-in-itself'.

Thompson inspired a revitalization of interest in broader working class history and culture across the western world (e.g. Foster, 1974; Dawley, 1976; Calhoun, 1982; Blewett, 1990; Koo, 2001). In Britain, another eminent Marxist historian

Hobsbawm (1984) borrowed from Thompson the methodology and in fact the name, *'The Making of the Working Class'*, to study class formation from 1870 to 1914. However, Hobsbawm contested Thompson, contending that class formation was never completed in the 1830s, when Thompson's study ended. Contrarily, he argued that a 'class-for-itself' never existed until the end of the nineteenth century after class organizations and communities were well established among industrial proletarians following a second round of industrialization during the Victorian boom. Both Thompson and Hobsbawm revealed the leading role of artisans and skilled workers in the rise of the labour movement, but Hobsbawm (1968: 272; 1984) more specifically introduced the concept of a 'labour aristocracy', taken from Engels, referring to 'the upper strata of the working class' to differentiate workers and explain their militancy. According to Hobsbawm:

'Labour aristocracy'... generally regarded as more 'respectable' and politically moderate than the mass of the proletariat... Only when imperialism began to cut off the aristocracy of labour (a) from the managerial and small-master class within whom it had merged and, (b) from the vastly expanded white-collared classes – a new, and politically conservative labour aristocracy – did a labour party attract them.

Hobsbawm (1968: 272; 274-275)



Later scholars continued to explore proletarianisation<sup>7</sup>, or wage workers losing control of the means of production, as a necessary condition for class formation (e.g. Levine, 1984).

Despite their variations, Braverman, Burawoy, Thompson and Hobsbawm were all within the broad sense of neo-Marxism and contributed to a 'from below' revolution of labour studies from the 1960s. The second theoretical turn in the study of labour however came from the challenge of feminism, post-Marxism, post-modernism and post-structuralism from the 1980s.

## **Gender and the Politics of Identity**

Besides the renewal of Marxism, the 1968 student rebels created another profound theoretical and political challenge, feminism, to the studies of the social world. In the very beginning, feminist scholars persuasively revealed the division of labour in the workplace and women's working experience, which had been invisible in previous labour history (e.g. Montgomery, 1979; Blewett, 1990). In short, the study of women remained within the framework of Marxism. At the turn of the 1980s however, feminism began to depart from Marxism, in what was described by Hartmann (1979) as an 'unhappy marriage'.

The new development of gender and work studies moved beyond the 'add women' approach to understand gender as a social process of 'gendering' (Scott, 1988; Lee, 1998). Through experience of femininity or/and masculinity and a socially defined gender role, a gender identity was formed (Scott, 1988; Lee, 1998).

Thus, gender is a parallel with class, race and so on. This approach was influenced

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<sup>7</sup> According to Tilly (1984: 1), proletarianisation refers to 'people who work for wages, using means of production over whose disposition they have little or no control.'

strongly by post-structuralism and post-modernism, which were inspired by French philosophers Michel Foucault and Jacques Derrida. While post-modernism rejects 'grand narratives' about social structure, post-structuralism abandoned materialist analysis and saw social class as a linguistic discourse in modernity (Bradley, 1999; Thiel, 2007).

Feminist and postmodernist scholars attacked Burawoy and other neo-Marxists for their 'class' centrism. For feminists, gender is at least as important as class in control and resistance (e.g. Cockburn, 1983; Lee, 1998). Post-modernist scholars argued that subjectivity is related with power (Knights and Willmott, 1989; 1990). For them, the fundamental pitfall of Marxism is its analytical framework of structure versus. action. They rejected class, preferring 'identity' as a basis for constructing 'subjectivity', which was determined by their power positions within and beyond workplaces (Willmott, 1990; Knights and Verdubakis, 1994).

In the field of labour history, scholars argued for the centrality of culture, ideology and politics in the rise of class politics in earlier industrialized countries such as England, France and the US (e.g. Jones, 1983; Fantasia, 1988; Gould, 1995; Somers, 1997). As a pioneer in England, Jones (1983) argued that workers' radicalism in Chartism was not a result of social and economic discontent. Rather, it was a product of political discourse. By a similar approach, Joyce (1991) further challenged the making of the working class thesis and contended that it was 'people' rather than 'class' that acted behind workers' politics in Victorian England. In short, language and discourse, or culture and ideology, replaced the social relations of production as the point of departure in the analysis of workers' politics.

Feminism is right to point out that gender is socially constructed by power relations in and beyond the workplace and that skills, career and job position are all gender-structured (Lee, 1998). For me, the history of women can be parallel with the history of labour, and so also, women's studies with labour studies. Yet the two paradigms have their different bases, assumptions and implications. The key concern of labour study is the capitalist mode of production and its consequences, while women study the patriarchy system. As far as labour study is concerned, among others (such as skilling, place, race, citizenship and so), 'gendering' is a useful concept to see the complex and micro-forms of dominance, control and resistance.

However, postmodernist refutation of the structure versus action framework risks the fragmentation of knowledge and the withering of explanatory power in wider social settings. Actually, Giddens's model of 'structuration' is convincing in the interaction of the structure and actors. According to Giddens, structure is 'both medium and outcome of the reproduction of practice' (Giddens, 1979: 2; 5). Feminism provides rich insights to labour studies in the analysis of social relations. Yet, although concepts such as race, nation, ethnicity, region, and age, along with class and gender can explain social inequality, class does have its centrality in the analysis of capitalist production. Burawoy (1985: 9) defended his class position in this way: 'First, class better explains the development and reproduction of contemporary societies. Second, racial and gender domination are shaped by the class in which they are embedded more than the forms of class domination are shaped by gender and race.' I fully adopt the first point. To his second point, I would add that it is possible that gender is more prevalent than class and race in the family

and similarly race in some community settings, but in the realm of the workplace, class subordination overwhelms other forms of oppression. As neo-liberal economists always remind us, the one and only aim of a business firm in capitalist society is to make profit for its owners. Without generating a reasonable level of profit, the firm cannot sustain itself for long. Therefore, without a 'class central' premise, the underlying exploitation of surplus value and ultimate domination in production by its owner cannot be satisfactorily unveiled and a project of material emancipation for human beings can hardly be imagined.

### **Crisis of Labour and Labour Studies**

Almost at the same time as the emergence of the post-modern and post-structural current, a demoralizing challenge to the studies of the working class came from the school of post-Marxism when it denounced 'class'. The economic downturn after 1973 devastated the corporations due to falling profits and caused a political crisis of the social democratic states in the West. Class conflict intensified. The failure of socialists to put forward an alternative and the defeat of organized labour in the class struggle brought back a period of frustration and despair (Clarke, 1988). Left scholars like Andre Gorz said 'farewell to the working class'. The world was said to be fundamentally changed into a 'post-industrial society' where social formation of the working class had disappeared (Gorz 1980). A. Przeworski, another influential neo-Marxist theorist, wrote:

The people who perpetuate their existence by selling their capacity to work for a wage are also men or women, Catholics or Protestants, Northerners or



Southerners. They are also consumers, tax-payers, parents, and city dwellers. They may become mobilized into politics as workers, but may also become mobilized as Catholic workers, Catholics or Bavarian Catholics.

(Przeworski and Sprague, 1982; cited by Becker, 1989: 133)

Laclau and Mouffe put further that the search for a 'true' working class was a 'false problem' (Laclau and Mouffe, 1985: 83-5; 109; cited from Becker, 1989: 134). In short, the working class, if any, lost its centrality and privilege over hundreds of fragmented and sometimes contradictory 'identities'. The politics of 'class' was obsolete and gave way to the politics of 'identity'. As workers had lost their emancipatory role in history, then for Manuel Castells, non-class-based identity social movements are the only 'potential subjects of the Information Age' (Castells, 1997: 354; 360; cited by Silver, 2003: 2).

The crisis of the labour movement gave rise to a crisis of Marxism and labour studies (Wright, 1985; Wright et al., 1989; Silver, 2003). The assertion of the decline of workplace collectivism and working class identity has dominated the literature of labour studies since 1979 (McBride, 2006). Ethnicity, race, gender and religion all were regarded as 'divisive and dysfunctional, a hindrance to working-class collectivism' in this turn (Belchem 2002: 97).

'Analytical' Marxist, E.O. Wright, attempted to bail out class analysis from the crisis by a structuralist tool. Wright was intellectually influenced by Althusserianism and committed to the 'structure' aspect of Marxism (Burawoy, 1989). By contrast with Thompson's historical empiricism, Althusser restored the 'determinist'



tradition and dismissed 'humanism', 'empiricism', and 'historicism' as 'unscientific' Marxism (Clarke et al., 1980: 5). According to him, history is a process of non-subjectivity, where each individual man and woman is just a bearer of production relations <sup>8</sup> (Althusser and Balibar, 1970: 112, 252). By this approach, Wright's (1976) solution was to first introduce a concept of 'contradictory class location' to explain the ambiguity of the middle class, and then complemented 'organisation assets' and 'skill assets' to the means of production to account for the exploitation and class structure in advanced capitalist and state socialist societies and beyond (Wright, 1985). Wright's approach was widely contested (Wright et al., 1989). Among others, Burawoy (1989) attacked him from the perspective of methodology and politics. Burawoy implied that there was no pure 'objective' social science that Wright claimed and pretending to be 'objective' risked analytical Marxism being assimilated into liberal professionalism. He called for active engagement with real politics to understand class struggle.

### **Class Formation: a Synthetic Approach**

In spite of its deep-seated weakness, Wright's structural approach provided insight to reframe the theory and method of 'class formation'. Wright said:

The class structure itself does not generate a unique pattern of class formation; rather it determines the underlying probabilities of different kinds of class formations. Which among these alternatives actually occurs historically will

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<sup>8</sup> Thompson's later work continued to debate with Althusser over the question of history and structure, see e.g. *The Poverty of Theory* (Thompson, 1995).

depend on a range of factors that are structurally contingent to the class structure itself.

(Wright, 1989: 29)

Wright's point was bolstered by Raymond Williams, who argued that structure not only set limits but also exerted pressure on the culture and collective action of workers (Williams, 1977; Katznelson, 1986). While manifesting the 'subjectivity' of workers, Thompson made little explanation of the structural constraints they faced. As Marx (1963: 15) noted: 'Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past.' It was Katznelson and Zolberg and their colleagues that pulled together the perspectives of cultural social historians (Thompson and Hobsbawm) on one side and structural social scientists (Wright) on the other side to synthesize an integrated approach to class formation.

Katznelson (1986: 11) criticized Thompson's approach as a 'weak but still teleological version' of the 'class-in-itself/class-for-itself' model by only concentrating on England. England was an exceptional case where the working class was coherent and the language of class was widely used. Thompson's approach could only be introduced to studies of other countries when the concept of 'class' and steps in class formation were unambiguously defined. To make comparative historical analysis possible, Katznelson then suggested a more concrete analysis of class formation with four levels: class structure (the mode of production); the social

organization of class (the ways of life inside and outside workplaces); class disposition (the actions and beliefs of individuals in relation to other social groups); and class action (collective action as organized and self-conscious) (Katznelson, 1986; see also P. Edwards, 2000).

The four levels of class reinforce each other and can be impeded by external forces. Although there are a number of advantages, Katznelson pointed out that the premise that 'class formation has occurred only when class exists at all four levels' is 'unsatisfactory' (Katznelson, 1986: 21). Specification on each level will discover more comparable and elaborate conditions in particular periods and societies, according to him. I agree with Katznelson's reservation about the 'outcome' approach. For a country like China, class organization was absent. An 'outcome' approach makes it too easy to conclude that no 'working class' in itself has been formed. Yet such a statement is meaningless in generating practical knowledge. It is the very definite level of the model that provides us with a rigorous point of reference to understand the stage of class formation and its structural barriers. Moreover, by studying the transition in countries like China, it is possible for the theory to be refuted or readjusted by its anomaly. Further, by specifying the social organization of working, family and community life, and class disposition, it leaves leeway to study the complicated processes of gendering, skilling and racism in labour politics.

In the following sections, before the review of western literature on China labour studies, we will see the recent development of western labour studies and the 'return' of class analysis in China to the Marxist tradition.

## **Toward Global Solidarity?**

While Katznelson and his colleagues went back to history to revisit the process of making and unmaking the working class in western states, the group of 'new international labour studies scholars' set off to the global South to search for the new working class and their struggle experience (Munck, 1988; Cohen, 1991). The working class is not dead but reborn in the newly industrial world. Departing from the orthodox left, Cohen equated rural workers with their urban counterparts by arguing that proletarianisation had penetrated into the countryside. The size of the working class had indeed expanded.

The perspective of 'new international labour studies' was further strengthened by new patterns of cross-border solidarity and cross-class mobilization. The new form of social protest was symbolized in the demonstration in Seattle in 1999 where students, farmers, environmentalists, women's groups and trade unions joined hands to stop the World Trade Organization (WTO) ministerial meeting (Waterman, 2001). Within the meeting hall, the US trade union federation AFL-CIO, with the support of the Clinton government, campaigned for the core labour rights stipulated by the International Labour Organization (ILO) to be incorporated into WTO treaties.<sup>9</sup> Attention was also paid to the transnational co-operation of trade unions and the alliance of trade unions with other social forces and interest groups within individual countries (Moody, 1997; Waterman, 2001; Gordon and Turner, 2000; Munck, 2002). The theory of Polanyi (1957) that the trespass of the market into society would spark

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<sup>9</sup> Yet it was criticized by trade unions in the South and some NGOs as 'protectionism'. The ILO's fundamental labour standards cover four basic principles: freedom of association and the right to collective bargaining; the elimination of forced labour; abolition of child labour; and abolition of discrimination at work.



off resistance from civil society was borrowed to explain the new rising form of struggle against neo-liberalism (Munck, 2002). The 'old internationalism' was hailed to be European and male-centric and a more progressive 'new internationalism' was optimistically expected for the millennium (Waterman, 2001; Munck, 2002). Waterman's (2001) and Munck's (2002) optimistic illustrations underestimated the presence of business trade unions all around the world and the rising number of unorganized labourers. Lambert (2002: 186-87), for instance, referred to the post-socialist and post-colonial trade unions as authoritarian business unionism that 'fails to acknowledge and confront labour market inequality' and has eroded 'independent organization, ideology and strategy'. Without a revitalisation of workers' workplace organizations and militancy, the social movement model of labour rights campaigns were also described as an intellectual fantasy with less fundamental impact and sustainability on social change (Dinerstein and Neary, 2002). The CSR practice, which was initiated by the consumer movement in the West, was especially flawed in lacking workers' participation and deteriorated into a window-dressing strategy for the corporations (Pearson and Seyfang, 2001; Whitehouse, 2003; Pun, 2005b; Sum and Pun, 2005). In Korea, for example, the students and churches did play a very prominent role in supporting workers' struggles in the 1970s. However, when workers' activism was more mature after the 1980s, the external forces generally retreated in the spectrum (Koo, 2001).

The notion of global social movement unionism forced us to rethink two classical debates in Marxism. Under what conditions can workers' internationalism be achieved? What is the role of intellectuals or civil society in labour politics? But



also, it posted for us a new sociological question: to what extent can an identity-based social movement convey significant social change in the interest of the working class?

Considering the historical and political divergence with the West, one should be curious about the ideology and intellectual tradition in China. What is the meaning of 'class' and 'labour' inside China today? To what extent is it converging with the western trend? Most of the labour-related curriculum in China was concerned with the human resource management school where skills were the core subjects of teaching (K. Chang, 2006). There were a handful of labour relations experts who saw labour and management as 'equal'. Yet they are basically analyzing the 'labour problem' from the angle of law and the state. Sociology as an academic discipline was legally banned in the early 1950s. It did not return until an instruction from Deng Xiao Ping in 1979 to recover the subject. However, as I am going to demonstrate, Chinese intellectuals have moved from Maoism to Weberianism and now toward the western Marxist tradition.

## **Class and Labour in China**

In order to situate intellectual tendencies on the discourse of class and labour within a wider political and economic context at the national and international levels, the discourse of class in China can be periodized into three phases according to national leadership: Mao's period (1926 to 1977); Deng and Jiang's period (1978 to 2001); Hu's period (2002 onwards).<sup>10</sup>

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<sup>10</sup> This section is quoted from the author's joint article with Pun Ngai (Pun and Chan, 2008 forthcoming). The author's contribution to this article was on the review of class analysis and labour studies since 1978 and the part of Mao's period was the work of Pun. Quotation in this thesis has reconstructed the original text and referenced more relevant literatures.

The first period began with Mao Ze Dong's famous article in 1926, *Analysis of the Classes in Chinese Society*, where he argued that the reason for class analysis in China was to identify enemies and friends. Mao (1965: 13) said: 'Who are our enemies? Who are our friends? This is a question of the first importance for the revolution...the leading force in our revolution is the industrial proletariat'. However, in early twentieth century China, the modern industrial proletariat had a number of about two million. Mao then strategically relied on the vast peasantry to achieve his revolutionary project (Pun and Chan, 2008 forthcoming).

However, after the CCP took power in 1949, it was the urban workers, not the rural villagers, who were proclaimed as the vanguard of the Chinese proletariat. The Chinese working class in the 1950s, unlike its embryonic form in the 1920s, was made within a few years under a state command economy, in contrast to the English or other European working classes whose formation, dictated by a market economy, took at least half a century (Walder, 1984). All of the country's men and women were designated a 'class identity' or 'status' by the Maoist ideology of class: landlords, rich peasants, middle peasants, poor peasants and farm labourers in the rural areas; and revolutionary cadres, revolutionary military men, professionals, workers, store sales staff, bourgeoisie, industrial and commercial capitalists, small merchants, handicraft workers, poor people, vagabonds and so on in urban areas. As Wang rightly put it, this class categorization based on 'family origin' or 'blood lineage' was a negation and betrayal of subjectivism (H. Wang, 2006: 37). After socialist reform in 1955 and 1956 these class categories were simplified into two major class identities in the city: cadres and workers (Sun, 2004). Until the end of

the Cultural Revolution in 1976, the frequent official classification was two classes (working class and peasantry class) plus one stratum (intellectual stratum) with the meaning of class and stratum not clearly defined (Pun and Chan, 2008 forthcoming).

During the second period after Deng's reform in 1978, the language of 'class' was rapidly shattered. The Maoist language of 'class struggle' was abandoned, while the privileged position of the working class was denounced (Sargeson, 1999). A 'farewell to Mao', and thus 'farewell to Marx', rapidly became the common motto in society. At the same time, a new working class composed of vast numbers of peasant-workers was striving to be born. This newly formed Chinese working class, however, was obstructed at the very moment of its birth as a class force (Pun, 2005a).

At the end of the 1990s, the whole intellectual circle in China was overwhelmed by studies of social stratification (Pun and Chan, 2008 forthcoming). A mega research project on *The Evolution of the Contemporary Social Structure* was carried out by a research team of the official Chinese Academy of Social Sciences. This project rejected Marxist class analysis and replaced it with the Weberian analysis of the 'structure of social strata'. The researchers 'skillfully' divided Chinese society into ten major social strata, namely state and social managers, managers, private entrepreneurs, professional and technical workers, clerical workers, self-employed, salespersons and service workers, industrial workers, agricultural labourers, and unemployed and under-employed. The report announced China as an olive-like society in which most members belonged to the middle and upper-middle positions, a minority group belongs to the upper or relatively upper

positions, and another minority group belongs to the lowest positions. The term 'class' was not used in the report at all.

However, even within the framework of stratification, many scholars still argued that a pyramid-like society was in the process of construction as the middle stratum was still not big enough (Pun and Chan, 2008 forthcoming). Li (2006: 41) put this: 'Because of the shortage of the middle strata for long, the "social tensions" cannot be easily erased within a certain period of time. For this sake, we have to actively nurture the social conditions for the middle strata to grow.' Li's ultimate concern is to create social peace and avoid the 'labour problem' for the state.

The third period saw President Hu Jin Tao and Premier Wen Jia Bao take power in 2002. In this period, the political discourse was shifted to create a new hegemony of 'harmonious society', responding to escalating social unrest. At the beginning of 2004 the CCP Central Committee and the State Council issued a 'No. 1 Document', entitled '*Opinions on Policies for Facilitating the Increase of Farmers' Income*', in which the government publicly stated that 'peasant-workers are an important component of production workers' and hence deserved state protection and basic civic rights. It is exactly under this new turn of policy that a return to class analysis followed (Pun and Chan, 2008 forthcoming).

Wu's (2006) article on *Theoretical review on the formation of the working class in the West: A rethinking of Chinese society in transition* firstly raised two questions: Could the transition of a socialist country bring forth a new working class formation similar to the experiences of working class formation like England and France in the nineteenth and twentieth centuries? If there is such a new working



class formation, what will be the long-term impacts on Chinese society? Shen (2006) quickly anchored this puzzle to an answer by providing a macro discourse on the formation of two modes of working class in today's China - one was composed of SOE workers, which was formulated along the lines of Polanyi's thesis on the tyranny of a dis-embedded market over society and an encompassing process of the commodification of labour, and the other was comprised of rural migrant workers that was shaped by Marx's original class theory (Pun and Chan, 2008 forthcoming).

The most representative work is Yu's (2006) *The Plight of China's Working Class: An analysis of Anyuan*. Based on an historical and ethnographic study of workers in An Yuan for more than four years, Yu provocingly argued that the collective actions carried out by An Yuan miners were not organized along class lines and hence those workers' actions could only be characterized as 'non-class collective actions'. Yu (2006) sympathetically called for granting workers the legal right to organize so that class-consciousness could be formulated and a 'class-for-itself' could be formed. The languages of the making and unmaking of the working class were also used in Xu and Shi's (2006) study. They suggested that the new Chinese working class can be made or unmade depending on the availability of a fair system to integrate the workers.

In a nutshell, in Mao's era, just like in the USSR under Stalin, China was understandably immune to the influence of western social theory. After Deng's reform, the boundary was blurred. In the West, the death of 'class' had been declared since the late 1970s and Weberian class structure was overwhelming in the field of social science. The mainstream Chinese scholars came to terms with this



trend and fitted it into their local projects of social transformation. However, the turn of the millennium encountered a renewal of interests in labour studies, especially in the international context, in the West. Again this theoretical turn coincided with Chinese intellectuals' search for working class formation. In the third period, in fact, it was the rising level of social unrest that created a condition for both the state policy shift and intellectual twist. As Marx reminded us, ideology is abstract from the lower structure – the mode of production and form of class struggle. A theoretical turn is never merely an intellectual fantasy, but is always situated within a material and political context (Clarke, 2005b).

It is not my intention to provide an in-depth and far reaching review of class debates and labour studies in the West and China. The purpose is to endow my studies of the new Chinese working class with a historical, political and intellectual context. As previous studies have shown, the rhetoric of 'class' was recalled by the laid-off and state workers to legitimate their protests and provide a base of solidarity (Lee, 2000a, 2002a, 2007a; F. Chen, 2003a; Yu, 2006). However, what about the migrant workers? What is their experience of class in such a changing global, political and intellectual epoch? I join in the cause to solve these puzzles, building on the findings of scholars within mainland China and overseas research projects which I am going to review in the next sections.<sup>11</sup> The review will begin from a debate on place and class in the studies of migrant workers in 1920s Shanghai, where a CCP-led workers' rebellion took place in 1926, to a discussion of gender,

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<sup>11</sup> I refer to overseas rather than western because quite a number of scholars I will review are western-educated Chinese who are working in western or Hong Kong academic institutions. Their works are fully within the western academic tradition.

place and identity in contemporary ethnographic studies of women factory workers, and finally an evaluation of changing forms of labour protest in China.

## **The Labour Movement in the 1920s**

The struggle of migrant workers cannot be isolated from workers' historical experience and the culture of Chinese society. In their studies of the labour movement in the 1920s, scholars either stress the role of the CCP's activism in raising class-consciousness, or downplay workers' class identity by privileging other identities, especially the politics of original place. Most provinces in China have a population and territory equal to that of a medium-sized European country each with its unique dialect, lifestyle, and customs. Cultural and linguistic variations also exist within one province (Pun, 2005a). One of its provinces, He Nan for instance, had a population of 93,710,000 in 2005. The prevalence of original place divisions among migrant workers seems to be empirically indisputable, while the relation between place and class identities is contested.

As a front runner, Marxist historian, Chesneaux (1968) argued that the working class in the 1920s had grown to be a new social force, evidenced by the wave of strikes in 1926 and 1927 in Shanghai. This position was however rejected by Honig (1986) who argued that women workers in the cotton industry, which was one of the essential industrial sectors in the city at that time, were politically weak and divided by localism.<sup>12</sup> It was only after 1937, when the CCP was legalized again and penetrated into the traditional sisterhoods (*Jiemeihui*) as well as the newly activated YWCA, that women workers were radicalized and took a significant role in strikes

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<sup>12</sup> Despite Honig (1986) arguing that ethnicity, as a boundary articulation process, is also applicable to describe people within one country, the notions of 'locality', 'native place' and the Chinese term, *Laoxiang* (fellows from the same homeland), are more often used in the literature.

in 1948. She rejected the Marxist notion that workplace experience can give rise to class-consciousness and emphasized the role of CCP organizers in raising workers' awareness. Hershatter's study on Tian Jin reached a similar conclusion (1986: 240). To both of them, localism played an adverse role, underlying workers' political weakness.

Although she agreed on the role that CCP intellectuals played in workers' radicalization, departing from Honig and Hershatter, Perry provided a dual account of locality in her seminal 1993 book, *Shanghai on Strike*. On the one hand, she suggested a positive effect of the 'intraclass division' on the emergence of workers' political activism:

Must such intraclass divisions be seen only in a negative light, as obstacles to the fulfilment of the "true" mission of the proletariat? I would suggest instead that the fragmentation of labor can provide a basis for politically influential working-class action, not only in support of one or another political party but even in the emergence of new political regimes.

(Perry, 1993: 2)

As she elaborated, workers' protests in Shanghai were organized along the lines of native place, predating the coming of the intellectual organizers, and even more: 'The class-conscious leanings of Shanghai artisans were evident well before the May Fourth Movement' (Perry, 1993: 47).<sup>13</sup> In the 1920s, she argued, CCP organizers were forced to come to terms with the original place traditions of workers,

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<sup>13</sup> The May Fourth Movement took place in 1919, and fostered the establishment of the CCP in 1921.

even against the party's ideological predilections. On the other hand, Perry was sceptical of the idea that the self-organized struggle along the place line was a sign of class-consciousness: 'The solidarities forged by this politics of place facilitated militance, though not necessarily in a class-conscious fashion' (Perry, 1993: 30). Alternatively, she preferred that the self-organized struggle was a sign of workers' fragmentation on the basis of skill, gender and occupation with a root in original place. It was after the involvement of both the CCP and the Nationalist Party (KMT) in the labour movement that the industrial workers in the earlier 20th century were then fragmented by party attachment as well. She continued to comment that the original place attachment, together with other cultural traditions, inhibits the formation of class-based politics in China as well as in other East Asian countries (Perry, 1993; 1996).

### **Labour Conditions in Contemporary China**

According to Perry, the patron-client relationship between communist activists and factory workers from the 1920s gave rise to 'organized dependence', a term suggested by Walder referring to the labour control strategy after the CCP took over sovereignty in 1949 (Perry, 1993; 1996). Nevertheless, for Walder, workers' 'organized dependence' on factory cadres was solely a result of political restructuring under the socialist construction project in the 1950s. Accordingly, he designated the control technique as 'communist neo-traditionalism' (Walder, 1986). Following the gradual withdrawal of the state from production units after Deng's reform, communist neo-traditionalism withered and was replaced by a labour regime hailed by Lee as 'market despotism' (Lee, 1998; 1999).



Factory ethnographies on the market despotic regime well confirmed Perry, Honig and Hershatter's notion that original place and gender are prominent bases of shaping Chinese workers' identity (Lee, 1998; Sargeson, 1999; Pun, 2005a). Nevertheless, unlike the older generation of scholars, they adopted the approach of multi-identities implying that locality will not weaken other identities such as class and gender.

Inspired by western feminism, contemporary ethnographic studies concentrated on women workers in export-oriented foreign-owned electronics factories or joint ventures (Lee, 1998; Sargeson, 1999; Pun, 2005a). All of this research affirmed the centrality of locality in forging cross-native-place identities of 'maiden workers' (Lee, 1998), 'proletariat' (Sargeson, 1999) or *Dagongmei* (young women workers) (Pun, 2005a).

Geographically, both Lee's (1998) and Pun's (2005a) ethnography was conducted in Hong Kong capitalist factories in Shen Zhen respectively in 1992-3 and 1995. Lee (1998) argued that while despotism, localism and genderism were used by the management to maintain 'class domination', women workers were also successful in using the resources of localism and gender to construct their identity as 'maiden workers (*Dagongmei*)' to resist the management (Lee, 1998: 135-136). Similar to Lee, Pun (2005a) found that workers constructed a subjectivity of *Dagongmei* to resist the discrimination over their rural background. Going beyond Lee, Pun implied a higher potential for workers' resistance as, in her opinion, a minor gene of resistance is embedded in the painfulness of human bodies. She pointed out that 'a new generation of migrant workers has rapidly developed a range



of examples of class awareness and understanding in the workplace,' although 'the "new working class" ...is often deformed, or even killed, at the moment of its birth' by state mechanisms (Pun, 2005a: 20, 24-25).

Sargeson's (1999; 2001) study was instead done in publicly-invested electronics factories run by domestic private owners in Zhe Jiang province. Despite the geography and capital source diversity, Sargeson's findings basically confirmed C.K. Lee (1998) and Pun (2005a) on the potential of workers' resistance. According to her, workers' identities were formed on the grounds of localism, social status and a consumption model (Sargeson, 1999). She argued that 'the development of capitalism in China is not a unidirectional process in which Chinese workers are the passive objects of change' (Sargeson, 1999: 221). On the contrary, workers were able to develop their own tactics fighting against the management's 'divide and rule' strategy with a common identity of the original place (Sargeson, 2001). She went further to emphasize the potential of place-loyalty to transit into broader class action:

Perry (1995: 325) suggests that workers in China will remain blinkered by 'traditional' patterns of resistance, particularistic affiliations and a concern with place, face and status...Yet my observations suggest that even organizing that appears to centre on place-of-origin might actually aim to educate workers politically and pave the way for more inclusive arrangements.

(Sargeson, 2001: 51)

As can be seen, the trend of China labour studies well confirmed the observation on labour history study in Europe by Belchem (2002: 97) that ‘perspectives are changing to suggest a positive or symbiotic relation between ethnicity and class’, although it had been regarded as a hindrance to working-class collectivism.

While the culture-prone workplace ethnographic studies elaborated the ‘subjectivity’ aspect of workers’ identity formation, institutionalist scholars contributed to analyze the central role of the state in the constraint and accommodation of migrant workers. Based on media and documentary research as well as interviews with workers, trade unions, managers, trade unionists and officials, they well portrayed the plight of Chinese migrant workers under the legacy of state socialism (Howell, 1993; O’Leary, 1998; Solinger, 1993; 1999; A. Chan, 2001). As these studies showed, a household registration *Hukou* system which denies the citizenship rights of migrant workers in cities, a quasi-‘transmission belt’ socialist trade union and a pro-business local state apparatus were all political mechanisms to put workers in a cage.

### **Workers’ Protest in Contemporary China**

Despite the rising proportion of peasant migrants in the industrial workforce, migrant workers’ protests have been subject to less academic attention. Scholars have concentrated their studies of post-1978 labour protest on SOEs in North China (e.g. Lee, 2000a; 2002a; 2007a; Cai, 2002; F. Chen, 2000; 2003a; 2006; Hurst and O’ Brien, 2002).

Until the late 1990s, migrant worker rebels, if any, were said to be weak. Lee, for example, compared the labour uprising of state workers with the resistance pattern of migrant workers to argue that the latter was 'less progressive' and 'adeptly and flexibly adjusted to capitalism' (Lee, 2000a: 220; Lee, 2002a). The common paths of migrant workers in South China to express grievances in the early 1990s included collective complaints or suggestion letters to management or the local Labour and Social Security Bureau (LSSB), unorganized spontaneous work stoppages and finally 'time consuming and pacifying' legal procedures (Lee, 1998; 2000b; 2002a: 210). W.Y. Leung found that 'the working class did not wage large-scale class-based organized actions articulating class-specific demands... although there were sporadic but consistent expressions of class-specific grievances by workers' (W.Y. Leung, 1998: 15), and 'a momentous rise in the number of labour protests... during the years 1992-4' were 'scattered, spontaneous and unorganised' (W.Y. Leung, 1998: 44).

The weakness of migrant workers in this stage, compared with SOE workers or any organized workers of the world, seems to be uncontested. However, this judgment is of little value in predicting the capacity and possibility of Chinese peasant workers to transfer themselves into being modern proletarians with organizing power. If we view the development from a historical perspective, the number and duration of SOE workers' protests have declined, while there is a rise of a new strike wave by migrant workers in the private sector (CLB, 2007). As long as the SOE workers failed to challenge the wave of privatisation, their role as an agency for social transformation was destined to wither as a result of their numerical

decline and the dramatic change of labour relations in SOEs. In fact, as Lee's (1999) study demonstrated, under economic reform, migrant workers have been recruited by SOEs to substitute for state workers.

In recent years, however, although still limited, the literature has begun to suggest a rising form of labour protest among migrant workers. Lee updated us that migrant workers in the late 1990s are more politically active than at the beginning of the decade: 'an emerging element in Chinese labor politics which is likely to play a larger role in the coming years but which was totally absent during the early 1990s' (Lee, 2002b: 63); 'by the late 1990s, incidents of worker unrest had become so routine that government and party leaders identified labor problems as the "biggest threat to social stability"... accelerated reforms have triggered both a proliferation and a deepening of labor activism' (Lee, 2000b: 41).

Sargeson (2001) and Smith and Pun (2006) have all documented stories of women migrant workers' protests developing in dormitories. Sargeson (2001) presented a story of women migrant workers who started off a campaign for equal wage and promotion opportunities with their local counterparts. Smith and Pun's (2006) dormitory study also found that kinship, original place and peer networks which prevail in factory-provided dormitories provide a base for workers' protest. In their case, hundreds of women workers in an electronics factory joined hands to demand lay-off compensation by a series of actions, including a demonstration outside the government building. According to them, a 'Chinese dormitory labour regime' was a peculiar form of labour process in global capitalism which embedded both control and resistance. Sargeson (2001) and Smith and Pun (2006) urged



further study. Sargeson (2001: 66), for instance, called for ‘the need to conduct more intensive empirical research into the intentions, patterns and effects of workers’ activism.’

A more forceful effort was Lee’s (2007a) book, *Against the Law: Labor Protests in China’s Rustbelt and Sunbelt*, which compared the patterns of collective protests of laid-off state workers in the North and migrant workers in South China. Referring to migrant workers, Lee observed ‘three major types of workplace grievances that often lead to labor arbitration, litigation, and protests... (1) unpaid wages, illegal wage deductions, or substandard wage rates; (2) disciplinary violence and violations of dignity; and (3) industrial injuries and lack of injury compensation’ in South China (Lee, 2007a: 165). According to her, it was only after the ‘rationalization’ of the administration and arbitration procedure failed to protect workers’ legal rights, that the victims were forced into ‘radicalisation’ by walking out onto the streets. ‘Worker solidarity peaks at the point of collective exit from the factory, occasioned by plant closure or relocation,’ Lee (2007a: 175) elaborated. Despite the higher level of solidarity workers showed in this sort of case, the migrants would disperse to different places after the protest without maintaining proper contact with each other. Therefore, Lee argued that ‘Chinese workers can hardly be described as having much marketplace, workplace, or associational bargaining power’ (Lee, 2007a: 24). Alternatively, Lee (2007a: 25) borrowed ‘three potential insurgent identities’ from western labour studies, namely, ‘proletariat’, ‘citizen’, and ‘subaltern’ to analyse both laid-off state workers and migrant workers in protests:



I have found that class identity is more muted and ambivalent among migrant workers than among rustbelt [northern state] workers, whereas claims made on the basis of equality before the law and of citizens' right to legal justice are impassioned and firm, as in the sunbelt [South]. Workers also identify themselves as the marginalized and the subordinate in society.

Lee (2007a; 195)

In short, Lee privileged non-class 'citizenship' over 'class' for migrant workers and implied that laid-off state workers were more class-conscious. It is certain that veteran state workers had better organizational resources such as the trade union, workers' congress or a stable urban community so that they could stage a joint factory campaign, which is much more difficult for migrant workers to achieve. Nonetheless, her position on 'class' is unsatisfactory because she has abandoned the material and historical base in favour of an interpretation of class in linguistic terms. In this regard, the theorization of F. Chen (2000; 2003a; 2006) of the class-consciousness of former state workers and Pun's (2005a) imagination on class formation of migrant workers are more satisfactory.

In F. Chen's (2000; 2003a) early studies of protests of laid off state workers, although the memory of Maoism and the language of *Gongren Jieji* (working class) were dominant in the language and slogans of the insurgents, F. Chen showed high scepticism about their class-consciousness. It was only his recent study of a campaign by previous state workers working in privatised factories to overrule the privatisation decision and take over the factory by themselves that made F. Chen

relatively positive about the possibility of class-consciousness (F. Chen, 2006). The language of 'class', which was rooted in the historical memory of the pensioners, did not have any material base. First, they were out of the production centre. Second, they did not have any experience of capitalist relations of production. Third, their target was the state rather than the new factory owners.

Migrant workers, by contrast, were all within the production centre under a capitalist class relation. Except for some extreme cases, their demands can only be satisfied by interest concessions from the capitalists. In spite of this, as Lee (2007a: 195, 204) described, migrant workers rarely used the term of *Gongren Jieji* or *Gongren* (workers) to describe themselves, as the state workers did. Instead, they identified themselves as *Mingong* (non-state workers), *Nongmingong* (peasant workers), *Wailaigong* (outside workers) or *Dagong* (selling labour to the bosses). These differences should be understood in their political and cultural context. Politically, *Gongren Jieji* and *Gongren* were terms of political rhetoric imposed in Mao's era, while *Mingong*, *Nongmingong* and *Wailaigong* were the social stigma attached to the new workers after the reform. Culturally, *Dagong* is a term more attached to the Cantonese context with a very similar meaning to *Gongren*. Pun quoted a *Dagongzai* (a man selling labour to the bosses) saying:

We are not treated as human beings...We work like dogs and never stop. When the superior asks you to work, you have to work no matter when and where... Who cares who you are? We are nobody, we are stuff.... What is

*dagongzai*? *Dagongzai* is worth nothing. *Dagongzai* is only disposable stuff  
(*Feiwu*).

Pun (2005a: 23-24)

On the basis of workers' self understanding like this, Pun (2005a) argued that migrant workers' understanding of class relations was grounded in everyday life. Pun (2005a: 24-25) suggested that 'a new generation of migrant workers has rapidly developed a range of examples of class awareness and understanding in the workplace'.<sup>14</sup>

Although I agree with Pun's equalization of *Dagongzai*, or in a gender-balanced term *Dagongzai/nu* (man and woman selling their labour power), with *Gongren*, I would put it further. Even if the migrant workers totally did not hail themselves as workers, would that mean that there is no working class and so no class struggle in the global factories of China? E. P. Thompson's notion of 'class struggle without classes' comes to mind here:

People find themselves in a society structured in determined ways (crucially but not exclusively in productive relations), they experience exploitation (or the need to maintain power over whom they exploit), they identify points of antagonistic interests, they commence to struggle around these issues and in the process of struggling discover themselves as classes.

Thompson (1978: 49; cited by P. Edwards, 2000: 145)

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<sup>14</sup> But at the same time, she also pointed out, 'the "new working class" ... is often deformed, or even killed, at the moment of its birth' by state mechanisms (Pun, 2005: 20).

To interpret Thompson's approach in contemporary workplace study, Paul Edwards put it straightforwardly:

Classes exist as a result of the fundamental processes around the system of production, and can thus be identified independently of any beliefs among class actors; and that relations between members of classes are a form of class struggle even when people do not use the language themselves.

P. Edwards (2000: 142)

For Clarke (1978), class relations and their political and ideological forms cannot be separated from each other in class analysis, although the concept of class as a social relation should be analytically prior to the latter. I prefer this approach as it highlights the importance of the relations of production, but leaves leeway for studying subjectivity formation in a historical context.

### **Prospect of Working Class Politics in China**

The debate around theory or history, structure or agency, and 'class-in-itself' or 'class-for-itself' has lasted for a long time with no conclusion in academics and politics. In the field of labour studies, consents and contests co-exist among various current intellectual thoughts.

First, it is agreed that workers' subjectivity formation retained its pivotal role. The concepts of gender, race/ethnicity and skill can complement class to better grasp the underlying principles of subordination and resistance and the possibility of



emancipation. However, controversy rests on the relation between ‘subjectivity’ and its material base and economic structure (Berlanstein, 1992; 1993). While neo-Marxism insists politics and ideology is connected with, although not fully determined by, the economy (e.g. Aminzade, 1981; 1993), the post-structuralist school generally downplays the validity of the material factor in favour of contingent ‘identities’ as a discourse (e.g. Sewell, 1980; 1993).

Second, the labour process, or coercion, resistance and bargaining in the workplace, which are central in the understanding of labour politics, cannot be isolated from workers’ tradition, culture, community experience, state policy, stage of capitalist development and location within the uneven development of the global system. Orthodox universalism may assume that the labour movement in developing countries on the way to industrialization does not have a fundamental difference with the western countries. Contemporary scholarship is generally sceptical on this optimistic position. Katznelson and Zolberg (1986) illuminated that even within the western world, the process of class formation varied from one country to another. The ‘path dependence’ theory (Nee and Stark, 1989) argues well that the post-socialist countries’ transformation is dependent on state and society structures, historical contexts and cultural practices, in the words of Burawoy and Verdery (1999) an ‘uncertain transition’. In this regard, as a post-socialist and NIC in Asia, China does not necessarily follow the western path of development. Accounting for China’s departure from the West, however, two strands of explanation have emerged (Sargeson, 2001).



On the one hand, institutionalists implied that it is the state institution that dislocates class politics in China (e.g. Howell, 1993; O'Leary, 1998; Solinger, 1999; A. Chan, 2001). Developing from the 'path dependence' theory, new institutional analysts viewed market reform in post-socialist states as a dynamic process of the interaction of state socialism and capitalism. According to Stark and Nee (1989: 30): 'State socialism represents a distinctive social formation that has its own institutional logic and dynamics of development.' They argued that post-socialist states' pathways to global capitalism are influenced by their respective social, cultural, economic and political traditions (Stark and Nee, 1989; Nelson et al., 1999). Similarly, in his study of development models of NICs, Haggard (1983) claimed that the legacy of authoritarianism and the 'state-business' alliance in East Asian NICs such as Taiwan and Korea had prevented an opposition force from labour and students which had risen in Latin American NICs.

On the other hand, the culturalists contest that the departure of China and its East Asian neighbourhoods from the western road of class formation was culturally determined. The base of workers' collective action in East Asia was claimed to be little 'class' oriented (Perry, 1996; Kim, 1997). Perry (1996: 3) argued that workers' activism in East Asia 'is not fully explained by the familiar models of class-consciousness inherited from the analysis of West European and North American capitalism'. She attempted to demonstrate the importance of 'place' over 'class' in the formation of workers' identity in the region. Although her definition of 'place' was wide-ranging (Perry, 1996), native place is highlighted as the most crucial factor as far as China is concerned (Perry, 1993; 1996; 1997).

Third, workers' struggle is not isolated from the conditions of civil society and international solidarity. But to what extent the western consumer-centred CSR movement can facilitate workers' organizing power and class capacity in China remains controversial.

Bearing these debates in mind, I set out on my journey to search for the subjectivity formation of the new Chinese working class and its structural barriers in contemporary globalisation.

### **Research Journey: Methodology and Reflection**

The positivist tradition of social science claimed that researchers should be 'objective' and 'natural' in the same way as in natural science. Yet this paradigm lost its dominant position and became controversial after the 1960s. As Mills (1959) pointed out, all social studies can track back to the researchers' biographies, personal histories and their interactions within wider society. DeMarrais (1998) put it directly that scholars' personal stories are closely intersected with their research projects. Influenced by this perception, the new generation of social researchers tends to disclose rather than deny their values when conducting and disseminating social studies.

My research journey to search for Chinese working class subjectivity well echoes with Bryman's (2004: 21) notion, where he stated: 'The researchers' value can intrude in the process of social research, from the beginning of the choice of a research area and the formulation of research questions.' Obviously, my journey to study globalisation and Chinese peasant workers is more than an 'objective' project. I did it with the passion and social value that were exhibited in my autobiography. I

will briefly reflect on the relationship between my personal history and my research topic as the point of departure to discuss value and power in social research.

I was born in a rural village in Guang Dong province in late Mao's China. The class label of 'political identity' was vital to decide one's fate and opportunities before Deng's reform. All of the peasants who wanted to travel to the town, for example, had to obtain approval from production brigade cadres. One's chance of permission was based on one's family 'class' status and personal relationship with the cadres. In 1978, the reform began. The collective farming land was allocated to families according to the number of family members. The class label was then cleared. As soon as the reform began, my family was planning to move out of the village where life was filled with terrible memories. I boarded with a family relative in town in order to study in a better primary school, where I experienced serious discrimination against rural villagers institutionally and culturally.

'Marxist' theory and 'communist' ideology penetrated into every part of school education. My teachers always emphasized that the communism which we were building was aimed at ultimate equality, about which I was so impressed and enthusiastic. I migrated to Hong Kong in the early 1990s. Again I evidenced discrimination against newcomers from mainland China from the colonial Hong Kong citizens. When I was promoted to the University of Hong Kong in 1996, I was involved deeply in the student movement's fight for civil rights. Hong Kong experienced an economic crisis in 1998. The next year I took a one-year sabbatical to be the full-time Students' Union President. The crisis inspired me to study

globalisation and its impact on workers and education and try to build up solidarity between students and labour organizations.

After I graduated from university, I became an organizer in the Hong Kong Confederation of Trade Unions. During the years I worked in the trade union, the global trend of employment casualisation perplexed me and my colleagues. How could fragmented workers be consolidated as an independent political force in the context of the post-colonial transition? Trade unionists and activists opened the debate. In order to further deepen my understanding of the labour movement and globalisation, I went to the University of Warwick to study a Masters programme in labour studies in 2004 and then embarked on my PhD research to study the response of Chinese migrant workers to global capitalism.

As can be seen, experience of rural-urban migration and participation in a social movement were the two main causes underlying my choice of ‘research area’ and ‘the formulation of research question’, as Bryman (2004: 21) rightly put it.

I went back to Hong Kong and Guang Dong to conduct a pilot study in May and June 2005. A qualitative researcher is hailed a *bricoleur*,<sup>15</sup> and his/her work as *bricolage* (Denzin and Lincoln, 1998). My journey to solve the research question is a typical *bricoleur* work. During the first two months, in order to make more sense of the current labour issues in the region, I visited workers’ services centres, factories, workers’ dormitories and occupational hospitals in the PRD, and participated in the organizing of cross-border labour protests in Hong Kong and Guang Dong. Guang Dong is my homeland, while Hong Kong was the home in

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<sup>15</sup> A *bricoleur* is a French term that means a person ‘who works with his (or her) hands and uses devious means compared to those of the craftsman’ or ‘is practical and gets the job done’ (Weinstein and Weinstein, 1991: 161; Denzin and Lincoln, 1998: 31).



which I studied and worked for fifteen years, including four years as a union organizer and four years as a student activist. It was very natural for me to integrate into the fields. Many of the people working in the fields of labour research and service were my good friends.

Although my research topic and framework was well defined during the first year of my study in Warwick from 2004 to 2005, my determination to carry out this research was further consolidated and encouraged by what I experienced during these two months of pilot study. One day I took part in a regular group-sharing organized by a labour service centre to promote knowledge of occupational health and safety (OHS). When organizers attempted to focus on the topic of safety, several workers quickly sidetracked to discuss how their complaint to the LSSB was useless and a strike was the only useful way to protect their rights. What surprised me was that the language of Marx, class and exploitation was used by one of them, a mature skilled worker. Then I visited several labour service centres in the PRD set up by labour activists or NGOs to look for a perfect location to do my fieldwork.

Labour studies literature reminded me that workplace, workers' community, collective actions and organization were all important parts of the study. I planned to use a service centre as a contact point to get in touch with workers. Fortunately, one of the labour centres had a vacancy in its CSR training project. I then took up the post. Before I went back to the UK to discuss my research strategies with my supervisor in July 2005, I carried out documentary research in university libraries and labour NGO resource centres to study the pattern of the transformation of labour conflict from 1978 to 1995 in the PRD. This constituted part of the data in Chapter

Three. Addressing the concerns of authenticity, credibility, representativeness and meaning (Scott, 1990: 6; cited from Bryman, 2004: 361-367; May, 1997: 143-144), authors or publishers<sup>16</sup> of some references were interviewed to clarify information and double-check their reliability and validity.

I formally took up the one-year job from September 2005. My full participation in the CSR factory training project provided me with the data to be presented in Chapter Seven. The Star Factory case was based on my participant observation in an in-factory workers' training programme and intensive discussion with the chief director, general manager, middle-level managers and workers of the factory over seven months as well as other trainers, multi-stakeholder initiative (MSI) staff and TNC managers.

The data for Chapters Four and Five were not gained as straightforwardly as those for Chapter Six. From late October that year, I paid regular visits to a hospital with my colleagues to provide a consultation service to industrially injured workers. There I encountered many injured workers from the Sun Factory. I met four injured workers from this factory on my first visit to the hospital. One of the workers told me that five workers from their factory had been discharged from the hospital and two had been sent in within the five days since he was admitted. According to him, normally all of the victims in accidents would be sent to a small private clinic nearby. Only when the clinic doctor was unable to provide treatment would workers be sent to the government hospital. He was also furious when telling me that the factory was forced to call an ambulance to send him there only after he had a heated quarrel with

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<sup>16</sup> My previous working relations with them privileged me to do so. For ethical reasons, their names are omitted or pseudonyms are used in some cases.

the clinic nurse to request hospital rather than clinic treatment. The intention of the factory was apparent. The case would not be recorded officially so that a lower rate of accidents could be faked, not to mention shorter treatment period and lower cost involved.

I told workers that I was writing a paper on strikes, some of them were very thrilled about that and began to tell me their strike stories with a sense of pride, although they did not well understand my work. They then took me into their community, dormitories and workshops. They introduced me as a 'reporter' to their friends and workmates and emphasized that I was a person who could help them by discovering plights in the factory, and it took some time for me to clarify that it was not the case. Finally, I moved into the community in April 2006 to live with a veteran worker of the Sun Factory who was setting up a small shop with his wife in the village. We rented a fifteen-square metre en suite room opposite the factory's new plant complex and a five-minute walk from its old plant. Coincidentally, I found many occupants in this settlement were from my own home county. I lived there until my return to Warwick in August. During the half year, I got ample chances to participate in workers' social life, observe their work culture and conduct interviews with some of them.

Before I identified Sun Factory as one of the main cases in this study and moved into the village, I made investigations into the labour relations of more than ten factories with my colleagues. Strikes had happened in most of the factories. Although I did not document the data in this research, due to the constraint of time

and length of the thesis, they provided me with ample background knowledge to sense the universality and peculiarity of the cases I chose to present.

After I had finished the main part of the fieldwork, I maintained contact with the workers. In December 2006, August 2007 and January 2008, I returned to the field sites to observe the new developments on a half-yearly basis. In August 2007, I encountered another wave of strikes led by the Moon Factory in the same town as the Sun Factory. In fact, Moon was one of the factories I and colleagues had studied in the first round of fieldwork. Relations developed with workers in the factory helped me to document well the case presented in Chapter Six.

My background prevented me from being an ‘intruder’ into the scene and destroying a ‘natural setting’. Actually my research project was highly supported by colleagues in the organization. Some friends on the executive board were also researchers in the field. We held informational seminars and reading groups along with lots of dinner time talks on the issues where I got lots of support and insights

Difficulties were encountered in the process. Brewer (2000: 59) suggested that a researcher should keep a balance between an ‘outsider’ and an ‘insider’. I found it was somehow difficult for me to take a balance between the two positions of a full-timer in a labour NGO (insider) and a student researcher (outsider). Psychologically, it was my responsibility to do my work well, so there was no point in my keeping away from the scene as an ‘outsider’. Physically, as meeting and talking with workers, factory owners, managers and staff in other partner organizations were part of my job duties, it was difficult for me to always inform people of my presence as an observer or researcher, as suggested by orthodox research ethics. But it should be



said that most of the informants, workers and NGO staff alike, knew well my status as a student from me or my colleagues. Bryman (2004: 509) reminds us that the relationship with informants is the 'chief ethical concern' in participant observation research. In fact, most of the key informants became my friends in the later stage of the research. I had many chances to talk with factory managers through the CSR project. Yet, as part of my role was to 'monitor' their practice, I did not think what they presented to me were always 'facts'. I tackled this problem in two ways. To ask workers with whom I had developed a good rapport or my own *Laoxiang* (*person from one's home place*) who were working in other factories as middle-level management to verify the reliability of the information.

Participant observation and informal interview were the two main methods of data collection. I relied on one working diary that I always carried with me to keep field notes. Notes were taken during meetings, talks and other activities. Over 200 workers, twenty labour researchers and frontier staff, fifteen managers and three government officers were talked with in informal settings during the years. I typed out essential data after work at home. I found that the process of typing was a good process of reflection on what further data was needed. Internal documents and publications of NGOs, workers' diaries, bloggers and government documents were also used.

Gender, age, and body (choice of clothing etc.) are among the key concerns of the ethnographic study. Recent studies revealed the very different experiences of women workers from their male counterparts, and similarly skilled workers from ordinary workers. When I attempted to contact wide-ranging workers, the responses

and results were highly varied. My age and sex privileged me to have deep talks with middle-aged male skilled workers, most of whom I thought knew the organizing process of a strike. But it was difficult for me to maintain long dialogues with ordinary women workers. For some basic information, sometimes I relied on female colleagues. I also conducted in-depth interviews with some female workers with the presence of an intermediary, our common friend. The first thing my informant in the Sun factory asked me to do before taking me to the factory was to take away my glasses and backpack and store them underneath the bed of his *Laoxiang*, the owner of a Si Chuan restaurant just opposite the factory entrance.

Quantitative data was used less in this project. On the one hand, as Cohen (1980) pointed out, quantitative indicators risk overlooking hidden forms of workers' resistance. On the other hand, the availability, accuracy and reliability of official data in China are highly doubtful. The strike rate is not officially announced in China (Taylor et al., 2003). It was only from 1994 onwards that labour administrative departments began to collect information on labour disputes. Even so, as suggested by Lin (1998: 238), the system to collect data is not 'formal and scientific'. Therefore, official quantitative data will only be used on a supplementary basis to facilitate the construction of a historical trend.

In September 2006, I detached myself from the field and went back to Warwick to write up my thesis. Dienel and Crandall (1978) put 'no harm to participant' as the first basic ethical principle. To achieve that, informants and factories remained anonymous and their backgrounds were doctored to make sure an outsider cannot identify them. Through the internet, I maintained contact with

friends and colleagues. I continued to contribute to the work as a volunteer. My chapters and papers were sent to them for comment. Internal dissemination workshops were organized to share my findings and theoretical reflections with the NGO community.

Brewer (2000: 60) warned ethnographers: “‘Going native’ is a constant danger.’ Some native anthropologists’ experience, however, showed that no matter how the researcher identifies with their study subjects, they remained ‘other’ to them (Narayan, 1993; Kim, 1997). For me, I had been part of the NGO community in support of Chinese workers for years. As far as workers are concerned, I shared similar background and experiences of growing up with my informants. Did I ‘go native’ in this sense? I supposed Brewer’s reminder is more suitable for a western anthropologist studying indigenous communities from the eyes of ‘others’, rather than a grassroots sociologist studying his own social origin. I defended the value of ‘going native’ as it can help, more than damage, the revelation of the ‘social fact’ in some specific cases. I did not think that by ‘going native’ I would lose the ability of independent observation and analysis of social facts. Moreover ‘going native’ creates opportunities for the social engagement of the intellectual which Burawoy (2005a) called an ‘organic public sociologist’.

Feminist scholars criticized the unequal relationship between researchers and informants (Acker et al, 1991; Gluck and Patai, 1991; Kim, 1997). In this research, although it concerned my native background, the power relation between me and the workers remained unequal. In fact, workers did not enjoy the same life opportunity for upward mobility that I achieved in the second half of my life. My full-time status

also granted me another privilege over the workers I worked with. However, I echoed the position of Bourdieu et al. (1999) that the personal suffering always has its structural root. The inferior social position of my migrant worker friends was embedded in the system of global capitalism. To achieve a more equal world, we need significant change of the system and structure. The struggle for such a change is a collective agenda and a class interest project. To this end, I do believe both my friends who are working in the production lines of China factories and I can contribute our small parts in different positions.



## Chapter Three

### Labour Conflict in Shen Zhen: a Historical Review

#### Introduction

*As E.P. Thompson reminded us, if we stop history at any particular moment, there is no social context at all, only a multitude of unconnected individuals.*

Dawley (1976: 4)

The dynamic of China's reform was rooted in labour market reform. A household-based production contract system was introduced to liberate the peasant labour force from the collectives and the forced labour of the communes. Not only did the policy boost productivity, it also released a large number of surplus labourers from rural areas. The urban reform, on the other hand, was initiated in three realms, namely deregulation, marketisation and then privatisation of the SOEs and Urban Collective-owned Enterprises (UCE), establishment of the township or village enterprises (TVE), and encouragement of Sino-overseas joint ventures (JV), foreign invested enterprises (FIE) and later domestic Privately Owned Enterprises (POE) (Cooke, 2005).

The reform began from the liberation of 'labour', but resulted in new forms of bonded labour (A. Chan, 2000). Exploitation appeared to be consistent, if not consolidated, over the two and half decades. Before 1978, workers were not allowed to move without official permission and wages were all centrally fixed (Meng, 2000).

Under the restructuring programme, however, a market-oriented labour relation was fundamentally taking shape in the mid-1990s (W.Y. Leung, 1998; Taylor et al., 2003; K. Chang, 2004). A survey conducted by the Guang Dong Provincial Federation of Trade Unions revealed that the monthly salary of migrant workers in the PRD has increased by only 68 yuan (8.20 US dollars) over the last 12 years, far behind the increase in living expenses and thus, workers' real wages had declined (MOLSS, 2004; *Apple Daily*, 22 January 2005). In order to regulate the labour market, a revised Labour Law was announced in 2004 and swiftly used by workers to defend their rights (Gallagher, 2005; Lee, 2007a).

From the early 1990s, scholars began to document and investigate labour resistance and activism in the region. As elaborated in Chapter Two, previous research projects found that labour resistance was individual and spontaneous in the early 1990s, but with a more collective form in recent years. However, a thorough historical review was absent. Thompson (1963) reminded us that the making of a working class is a historical process. This chapter, therefore, sets out to explore the pattern of collective labour conflict from 1979 to 2004 in Shen Zhen, China's most vibrant SEZ.

As will be shown, the legacy of state socialism has had a strong influence on the formation of workers' discontent and struggle patterns as well as industrial relations as a whole. However, with the constant expansion and penetration of the global market economy in China, the legacy is dwindling and the potential of workers' radicalization is being created through the accrual of struggle experience and the intensification of exploitation. That a labour movement cannot be moulded

at this stage is primarily a result of the fact that the workers' ambition for self-organization is obstructed by strong state intervention and an unstable labour market. This chapter lays down a context for the ethnographic case studies to be presented in subsequent chapters, which focus on the social formation of and obstacles to migrant workers' protest in South China's FIEs. The chapter begins with a review of the history of Shen Zhen SEZ and China's economic and labour market reform after 1979. While the key cases took place in the western part of Shen Zhen, from the first export-oriented industrial zone, She Kou, in the 1980s to its neighbour and thriving industrial district, Bao An, in the 1990s and 2000s, relevant discussion also extends to the surrounding PRD area. Data has been drawn from documentary research supplemented by interviews with veteran workers as well as labour organizers and researchers in the region.

### **The Formation of Modern Shen Zhen**

In 1979, Shen Zhen, with a population of a mere 30,000 and a gross domestic product (GDP) of 196.38 million yuan, was a tiny town lying on the border between socialist China and the British colony Hong Kong. A journalist portrayed the town in this way:

The urban area of the tiny town was only 3 square kilometers; the houses [there] are lowered and shabby, as its highest building is 5 stories. The streets were narrow, and the cityscape old and obsolete. It got only two little pitiful lanes: 'the pig street' and 'the fish street', along with a crossing street. If you

lit a cigarette at one end of the street and walked to the other end, the smoke would just die out.

(H. Chen, 2006: 3)

When I began my fieldwork in 2005, Shen Zhen had risen to be a world-class city and one of the symbols of China's reform achievement. At the end of the year, the total population of the city reached 8,277,500 (Shen Zhen Municipal Statistics Bureau, 2006). Just like any other major industrial city in the world, the rise of Shen Zhen as a modern metropolitan city was a result of the extensive inflow of migrants and capital (Lee, 1998; Pun, 2005a) and a series of administrative reorganizations. Official figures showed that the temporary population, which is mainly migrant workers, was as high as 6,458,200 (Shen Zhen Municipal Statistics Bureau, 2006).

In January 1979, as a first indication of Deng Xiao Ping's open door policy, the central government approved the proposal of Guang Dong province to establish Shen Zhen and Zhu Hai municipalities, which neighbour capitalist Hong Kong and Portuguese-ruled Macau respectively. Shen Zhen replaced the administrative territory of Bao An county in the restructuring. Half a year later, the central government decided to set up four Special Export Zones, which were later renamed Special Economic Zones, in Guang Dong province (Shen Zhen, Zhu Hai, and Shan Tou) and Fu Jian province (Xia Men), which faces Taiwan across the strait. Although the formal legislation for the ground-breaking project was not passed until early 1980, the land reclamation project for the first export-oriented industrial zone began in 1979 in She Kou, a peninsula in western Shen Zhen.



The idea of the open door policy was a historical innovation of the socialist state and its advance was piecemeal or, in the words of Deng Xiao Ping ‘crossing the river by touching the stones’. The Shen Zhen SEZ gained special status in tax and trading policies. Alongside other measures, the profit tax on overseas investment was set at fifteen per cent compared to a national rate of thirty per cent; foreign trade firms were allowed to run their businesses independently of administrative control of the ministries; tariffs were exempted on imported material for export production. Yet, the SEZ status was limited to the southern 396 square kilometres close to the Hong Kong border (now including the districts of Yan Tian, Luo Hu, Fu Tian and Nan Shan) rather than its full 1,953 square kilometre territory (Shen Zhen Municipal Government, 2008). The area outside the SEZ retained the name of Bao An county under the administration of Shen Zhen municipality. The industrialization and urbanization of Shen Zhen SEZ was basically finished by 1992 and spread rapidly to land outside the SEZ. In 1993, Bao An county was abolished and divided into two urban districts: Bao An in the West and Long Gan in the East. The district of Bao An is thus next to the inner SEZ district of Nan Shan in which the She Kou industrial zone is situated (see the illustrated map below). The factories of She Kou had been relocated to Bao An since the middle of the 1990s, because of the higher rent and higher minimum wage within the SEZ. She Kou then became a commercial and logistics centre while Bao An rose as a new industrial cluster. In this process, the local rural villages were transformed into communities whereas villagers gained the status of urban citizens after their agrarian lands were developed for industrial purposes.





An Illustrated Map of Shen Zhen

## Labour Reform: an Historical Review

As a product of the country's reform policy, the economic development of Shen Zhen was shaped by the central state policy and political atmosphere within the country and the party as well as global economic conditions (C. Chan, 2005).

### 1. 1979-1983

During this period, reform was mainly introduced in rural areas. The market-oriented household-based production contract system was introduced to replace the communes and production brigades. From 1978 to 1984, the per capita income in rural China grew at an average annual rate of 15 per cent in real terms (S. G. Wang, 2000; cited by Pun, 2005a: 72). Export-oriented urban economic reform was limited to the four SEZs. The achievement of Shen Zhen SEZ was especially startling. From 1978 to 1983, the GDP of the city increased eleven fold to 1.31 billion yuan. In 1983 alone, more than 2,500 economic co-operation agreements were signed by the government with foreign partners (Yin and Yang, 2004: 80).

### 2. 1984-1988



The urban economic reform was not formally launched until 1984. Deng Xiao Ping paid his first visit to the SEZs and highly appraised the model of She Kou Industrial Zone in January. In October, the third Standing Committee meeting of the CCP Twelfth Congress passed an eleven-point resolution. The fifth item stipulated that 'the economic reform should focus on urban enterprises', and the final point stated that 'open door is a basic national policy'. As a result of the new political direction, the open door policy was expanded from SEZs to fourteen coastal cities while a flexible wage system was introduced for SOEs in 1984, followed by a labour contract system two years later (Shek and Leung, 1998; Cooke, 2005). The deregulated TVEs were encouraged to grow and compete with SOEs. The thriving of the TVEs since the middle of the 1980s assimilated a huge number of surplus labourers liberated by the rural reform. It was estimated that a 130 million strong workforce was transferred to industry, and 70 per cent of them were locally transferred to TVEs (Bai and Song et al, 2002). The agricultural productivity and rural income growth stagnated in the second half of the 1980s (Pun, 2005a). After the spring festival of 1987, the annual 'tidal wave of migrant workers' (*Mingong Chao*) flooding in to the train stations of coastal cities like Shen Zhen was first captured by the media (Lee, 1998).

### 3. 1989-1995

The student-led democracy movement struck the country as an expression of social discontent towards the reform (A. Chan, 1993; W.Y. Leung, 1998). SOE worker activists formed the Workers' Autonomous Federation (W.Y. Leung, 1998). After the suppression of the movement, China entered a period of 'readjustment and

restoration' (*Zhili Zhengdun*) (Deng, 1992). The reform and open policy was in stagnation. After the democratic movement, some student activists tried to organize and establish independent trade unions, yet they were all mercilessly suppressed (W.Y. Leung, 1998; Lee, 2007a).

#### 4. 1992-1994

Deng Xiao Ping again visited the southern SEZs (*Nan Xun*) and called for a speed-up of the reform process. Deng pledged in Shen Zhen that 'reform and open policies must be insisted on for 100 years'. Afterwards, a series of new policies was put forward, e.g. the privatisation of small-sized SOEs, the institutionalization of the labour arbitration system in 1993, the announcement of a Labour Law in 1994 and the introduction of local state fiscal autonomy in 1995. Foreign Direct Investment (FDI) utilized in China rose from 4.7 billion US dollars in 1991 to 11.3 in 1992 and 26.0 in 1993. On the other hand, the hardship of rural lives in inland provinces, such as Si Chuan and Gui Zhou, forced more peasants to move across provincial borders to Guang Dong looking for work. According to S. G. Wang (2000), the reform turned from a win-win to a zero-sum situation of a rising unemployment rate and diverging wealth gap in 1993 (Pun, 2005a: 72). Official data estimated that the number of migrant workers in Guang Dong was around ten million in 1993 (Lee, 1998: 68). The number of inter-provincial migrant workers in the mid-1990s was estimated to be at least 12.5 times that of the early 1980s.

#### 5. 1995-2000

The privatisation of SOEs was launched in this period, producing millions of laid-off workers (Cooke, 2005: 1). During 1996 to 2001, twenty-six million or 40.5 per cent



of manufacturing jobs were lost (X. Jiang, 2004; cited by Au, 2005). Anti-privatisation protests were sparked among the SOE workers around compensation and enterprise ownership (Cai, 2002; F. Chen, 2000; 2003a; 2006; Hurst and O'Brien, 2002; Lee, 2000a; 2002a; 2007a; Yu, 2006). The lay-off or *Xia Gang* of workers joined the peasants to compete for the job opportunities provided by JVs, FIEs and POEs in the coastal cities. The high unemployment rate in the cities engendered a 'tidal wave of return home' (*Hui Liu Chao*) of migrant workers. The labour market suffered unprecedented dual constraints: the ability to absorb the rural and laid-off surplus labourers in the cities and the growth of rural income both declined (Bai and Song et al, 2002). The growth rate of FDI declined after 1994 and even experienced an 11.2 per cent reduction in 1999 due to the Asian financial crisis.

#### 6. 2001 onward

After China was admitted into the WTO in November 2001, the growth rate of inflow of FDI returned to double digits: 2001 (14.9 per cent), 2002 (12.4 per cent) and 2004 (13.3 per cent). Export-oriented light manufacturing, such as garments and textiles, toys and electronics benefited from a tariff reduction and rapid growth of production in the country. In 2002, China was the top world producer of eighty products, including colour TVs, washing machines, DVD players, cameras, refrigerators, air-conditioners, motorcycles, microwave ovens, computer monitors, tractors and bicycles (*The Economist*, 28 July 2005). It was reported that China produced half the world's cameras and thirty percent of the world's air conditioners and TVs in 2003. Since 2003 China has also surpassed the US as the top FDI inflow country in the world. With higher tax income from urban areas, as mentioned in

Chapter Two, the central government also issued a 'First Document' to call for better protection of peasants and peasant workers in 2003. Under this direction, some provincial governments began to cancel agricultural tax or even provided agricultural subsidies. This policy was extended to the whole country under the central government's campaign of 'building new socialist rural villages' in 2006. The new initiative attracted some older migrant workers to return to their villages. The dramatic changes in both urban and rural China gave rise to the media-reported phenomenon of 'shortage of labour' (*Mingong Huang*) since late 2003, from Fu Jian province, to the PRD, and then to the YRD and the country as a whole, in contrast to the 'tidal wave of peasant workers' (*Mingong Chao*) in the early 1990s. Surveys by the Guang Dong Provincial MOLSS revealed that the province lacked two million 'skilled workers' (*Nanfang Ribao*, 10 February 2004) as enterprises employed thirteen per cent more migrant workers in 2004 than 2003 (*Nanfang Zhoumo*, 15 July 2007). Another survey suggested that the number of workers who had left rural villages for jobs increased by 3.8 per cent in 2004 (*Min Ying Jingjibao*, 8 May 2004). The official source also revealed that there was a shortage of 2.8 million workers in the whole country, one million in the region of PRD and 300, 000 in Shen Zhen (*Nanfang Zhoumo*, 9 September 2004; *USA Today*, 12 April 2005).

Labour historians have implied that an economic boom can strengthen workers' confidence and lead to proactive strikes (e.g. Franzosi, 1995). Burawoy (1985) introduced a powerful concept, the 'politics of production', to situate labour politics in the workplace into state regulation. This notion was extended to take the global 'forces' into consideration in his later study (Burawoy et al., 2000). In this

section, I try to connect the wave of strikes with broader state policy and the global economy.

**Table I: Foreign Direct Investment in China, 1990-2004**

Year	Utilized FDI (US\$ billion)	Change on Previous Year (per cent)
1990	3.5	+3
1991	4.4	+26
1992	11.0	+150
1993	27.5	+150
1994	33.8	+23
1995	37.5	+11
1996	41.4	+9
1997	45.2	+8
1998	45.5	+1
1999	40.4	-11.2
2000	40.8	+0.94
2001	46.9	+14.9
2002	52.7	+12.4
2003	53.5	+1.5
2004	60.6	+13.3
2005	72.41	+19.42

(Source: Ministry of Commerce, various years)

First of all, through the ‘worst’ strike between 1981 and 1986 we will see how workers’ discontents were constrained in the early stage of the reform. While 1989 to 1992 was a period of reform stagnation where no significant development was seen in the export-oriented economy, 1993 to 1994 was a turbulent time within which a tidal wave of strikes arose in the twin SEZs of Zhu Hai and Shen Zhen. Strike cases will be presented to see how they were different from those in the 1980s. After 1995, the Labour Law and labour arbitration mechanism provided workers

with a channel to express their dissatisfaction in a time of high unemployment. However, after China was admitted to the WTO, the export-oriented economy was further expanded and more job opportunities were available. <sup>(see Table 1)</sup> The reported phenomenon of a 'shortage of labour' conferred those in privileged job market positions with the courage to rebel in the form of semi-organised strikes in Shen Zhen and the surrounding area since 2004.

### 1986: A Silent Strike<sup>17</sup>

*I hate the rural village. I can't forget that my father was discriminated against by the production team leaders and allocated the hardest tasks. After land was contracted out, our lives improved, benefiting from the hard-working habit of my father. But I dreamed of life in the city, and moved out to work in foreign invested factories in 1983 and never went back.*

Interview with Lian<sup>18</sup>, a female migrant worker in the 1980s

### Workers' Stories

Lian, like most of the first generation peasant workers, was a local migrant from outlying Guang Dong. In 1988, the number of rural migrants working in the PRD was estimated at 0.9 to one million, of whom eighty per cent were from other parts of Guang Dong, and twenty per cent from other provinces (Wong, 1989: 37).

During her eight years' work in Hui Zhou and Dong Guan, two cities adjacent to Shen Zhen, she experienced two strikes. One was when workers protested about an unreasonable unpaid task in 1986; the other was against the management locking up the doors of workers' dormitories during work time. In Lian's memory: 'Most of

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<sup>17</sup> Data from this section to the section 'strike tide in 1993-1994' was used in the author's MA dissertation (C. Chan, 2005).

<sup>18</sup> A pseudonym is used here and for other informants in this thesis also.



the workers came from the same village in the county of Hai Feng. We chose the day the Hong Kong boss was in the factory to take action. Some of us threw stones and bricks<sup>19</sup> into the boss's office even though he had accepted our demand. The boss was afraid of us. You know, Hai Feng is near Hui Zhou. They [the Hong Kong bosses] were newcomers to our land, and would not know what would happen in the next step.' Except for these two incidents, Lian did not hear of any other strikes in the industrial zones in which she worked.

Although Lian was determined to stay in the cities, one of her friends, Fong, was more frustrated by working life. She first arrived at Dong Guan in 1987, where she worked for several small-sized factories. In her experience, there were no strikes. She could not get used to the strict discipline in the factories: 'I always cried... and tried to change factories for better conditions... finally I gave up and returned home three years later.' Unlike Lian, she chose an individual 'solution' – returning to her home village in the face of hardship.

### **Complaint as a Channel of Grievance**

Their stories gave us some hints that the strike, with strong rural and local components, was not a common phenomenon in the 1980s. The features of industrial relations in the SEZ could be best reflected in She Kou Industrial Zone (SKIZ). According to the Shen Zhen Municipal Federation of Trade Unions (SZMFTU), they received 976 complaint cases from workers in 1986, of which 791 were resolved, sixty-three rejected and others unresolved or withdrawn (W.Y. Leung, 1988).

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<sup>19</sup> Throwing stones and bricks is a common form of villagers' conflicts in eastern Guang Dong.

One of the complaint cases in SKIZ took place in a Hong Kong-invested toy factory, Kader.<sup>20</sup> The factory employed 1,600 workers in 1983. Workers were discontented with the long working hours. A complaint was lodged with the trade union. The She Kou Industrial Zone Federation of Trade Unions (SKIZFTU), with the support of the local state, advised the factory to restrict overtime work. Twenty workers supported the union by refusing to work overtime on the first evening after the negotiation between the trade union and management, but the management fired one of their leaders. SKIZFTU demanded that the company re-employ the dismissed worker. Kader responded by threatening to withdraw investment. Supported by the SKIZ government, SKIZFTU represented workers to sue Kader and finally forced the management to accept their request.

In this case, the trade union and the local state took a very proactive role in protecting the workers, while workers were relatively passive in defending themselves.

### **Rise of Stoppages**

Direct workplace confrontations did not escalate in Shen Zhen SEZ until the late 1980s.<sup>21</sup> According to an estimation of SZMFTU, there were nine small strikes in 1986 in Shen Zhen, all of which took place in FIEs, and lasted for only several hours. The *China Youth News* also reported in July 1988 that there had been at least twenty-one strikes in FIEs in Shen Zhen SEZ during 1986 and 1987. The official newspaper claimed that both the number and scale of strikes had escalated since

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<sup>20</sup> This case was documented by Wong (1989). Wong was a trade unionist in Hong Kong. The information was provided by SKIZFTU in Wong's fieldwork in Shen Zhen.

<sup>21</sup> This section is based on W. Y. Leung (1988). Leung had been a labour organiser and researcher since the early 1980s in Hong Kong.

1987 and called for labour law legislation to prevent strikes (*South China Morning Post*, 30 July 1988; *Hong Kong Standard*, 30 July 1988; cited from W.Y. Leung, 1988: 157-158).

SKIZFTU officials revealed a number of strike cases in 1986:<sup>22</sup>

A group of more than 20 women workers (most of them from the same village)... walked off the job for two hours because they found the attitude of the foreman unbearably rude and harsh. The union went to mediate and advised the foreman to improve his manners. The workers resumed work shortly after...

Several hundred workers... struck for a day over low wages. The union went to mediate and persuade the workers to return to work. The management of the factory had always resisted having a union at the plant-...

Twenty-six workers... struck for six hours in protest against their low wages. The management fired them all. After the union mediated, twenty-five workers were reinstated, but the strike leader remained laid off.

W.Y. Leung (1988: 156) .

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<sup>22</sup> The strike cases concerned were rarely elaborated in either newspaper or labour organization publications. Several labour activists in Hong Kong claimed that it was after 1992, when the media widely reported labour abuse and strike cases that they began to conduct fieldwork in the PRD and initiate local and global education campaigns on labour rights in China. Their explanation and the relative scarcity of documentation of the early stage situation provide a clue to the placid labour relations in this period.

## A Leaked Secret Action

One of the strike cases in June 1986 was especially notable.<sup>23</sup> As described by AMRC (1995: 33), it was ‘a small-scale strike that shocked She Kou (at that time, strikes were rare in SEZs; moreover, Sanyo was regarded as a model factory)’. The Sanyo Semiconductor Factory concerned, then the biggest employer in She Kou, was a Japanese wholly-owned FIE that employed over 2,000 workers. In fact, the company had experienced another strike before the one in June 1986. According to information from SKIZFTU, around 600 workers in this factory struck for paid holidays in Spring Festival on 5 January 1986. But workers withdrew their demands and returned to work soon after an explanation from the trade union cadres.

The strike in June 1986 resulted from management breaking the contract. The twenty-one workers who staged the strike had all been recruited by the management committee of SKIZ from their homeland, Rao Ping county in northern Guang Dong. They worked together and lived in the same dormitory. Before they came to Shen Zhen, they were told that their salary would be increased after three months, but it did not happen even after ten months.

At midnight on 11 June 1986, the group gathered together to write a petition letter to the management. Zheng and Chen acted as coordinators. In the morning, they went to work like everyone else. But after one hour, they left the workshop collectively without informing anyone and returned to their dormitory.

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<sup>23</sup> A woman journalist, Luo Jian Lin, who had worked and lived with workers in a factory in SKIZ, recorded this strike story in *Special Economic Zone Literature Herald*, February 1987. The newspaper was abolished for political reasons later in 1987, but the story was translated and documented by W. Y. Leung (1988). Part of the information in this section was also cited from AMRC (1995). AMRC is a labour rights campaign and research organisation in Hong Kong.



However, their plan had been noticed by the trade union in advance. Two officials from SKIZFTU had come to their factory to investigate the case on 10 June. Yet all of the workers refused to reveal anything. Meanwhile, at 4.00 p.m., the company pinned up a notice to inform workers that their monthly salary would be increased by twenty yuan, backdated to 1 April. Nonetheless, workers did not give up their plan despite the pay raise having been their central demand.

### **Trade Union and Party Intervention**

It was reported by a trade union official in 1986 that ‘industrial relations in wholly foreign-owned enterprises were much [tenser] than in joint ventures’ as Chinese partners and trade unions were able to intervene in the latter cases (W.Y. Leung, 1988: 155). In Sanyo factories, over fifty per cent of the workers were members of SKIZFTU.

Two trade union cadres, as well as officials from the Party Committee and SKIZ Labour Service Company, a government body to monitor employment issues in the zone, appeared in their dormitories immediately after the ‘wildcat’ action took place.

During the ‘ideological work’ of the officials, workers did not say one word. Their dialogue was recorded in this way:

‘Why don’t you go to work?’

Silence.

‘It’s no good to set up an issue. Our law will not allow it to happen anyway.

Please go back to work because the consequences may be serious if you don’t.

If there is any problem, you can raise it with the union. The union can approach the company and help to resolve...'

Silence.

'What you are doing is against Section 158 of the Penal Code. In the name of the union, we demand you go back to work immediately'.

(W.Y. Leung, 1988: 162-163)

The officials' strategy was turned from 'soft' persuasion to 'hard' threatening as time went on. Workers seemed to be frightened, especially by the laws about which they had no idea. The workers' right to strike was abolished in the 1982 version of the Constitution. Laws did not make a strike illegal (K. Chang, 2004), but any action to disrupt social order was illegal under section 158 of the Penal Code.

After baulking at going to work or not for a long time, they finally backed down and returned to work one by one. However, one of their leaders, Cheng, suddenly shouted out: 'Hey! If anybody could beat me in arm-wrestling, they could go back to work' (W.Y. Leung, 1988: 163). All of the twenty-one workers went back to stay with Cheng. The cadres also returned to do 'ideological work' again. The strike finally lasted for over ten hours. Trade union, party and administrative officials followed the whole process by continually talking with the workers.

The day after the strike, the workers' leaders, Chen and Cheng, were fired. They were sent back to their homeland. According to a cadre of SKIZFTU: '[They were] handed in to the local labour department, [which was] informed not to arrange jobs for these two persons again. [It is] a piece of mouse faeces to stir up a bowl of

soup' (AMRC, 1995: 33). According to the union incident report, which suggested more training for union officials and education for workers, it was the 'worst strike' in the industrial zone from 1981 to 1986 (W.Y. Leung, 1988: 164).

### **Weak Workers' Subjectivity**

The basic characteristics of the Sanyo strike were in line with Lian's experience and the accounts from SKIZFTU officials. An outline of labour relations in the 1980s can be sketched accordingly. As a response to harsh conditions, some of the workers kept silent or chose to quit the job, while a few complained to the trade union. Wildcat strikes were increasingly adopted by workers later in the decade. Still, they were very locally orientated and without any strategic planning. The ten-hour strike at Sanyo was described by the trade union as 'the worst strike' in six years, as other cases were even shorter and more easily pacified by trade union cadres. But even in the 'worst' case, workers only exploited a passive way to express their discontent towards 'being cheated'. Unlike a mature strike, they did not have formal demands, did not negotiate with the management or trade union and Party Committee cadres, but kept silent the whole day. With little education, they knew nothing about the legal status of a strike. The original place connection was the only crucial element in strike organising. In fact, the organisers had no intention to inform other workers from other counties and dormitories.

### **The Strong Legacy of State Socialism**

As can be seen in Sanyo, Kader and other cases described by SKIZFTU, the official trade unions took a key role in constraining workers. The SOE model of labour control, where the CCP committee and trade unions worked with the administration

to accommodate workers, still prevailed in the SKIZ. The techniques of trade union intervention in the case also stemmed from the state socialist ideology. On the one hand, they suggested that the company made concessions; on the other hand, they did 'ideological work' among the workers on strike. The dual role gave rise to a certain level of dilemma.

In fact, there were lots of arguments and suspicions within the CCP on the direction of the reforms before 1989. As an example, the establishment of Shen Zhen SEZ was criticized by the *People's Daily*, the CCP institutional newspaper, in 1985 as 'getting rich on the back of the rest of the country' (W.Y. Leung, 1988: 130). At this stage, under the discourse of the 'socialist market economy with Chinese characteristics', the market economy was not an alternative, but supplementary to the state-planned economy and, therefore, underwent interference from the state under the ideology of socialism.

### **1994: Outcries in Strike**

*Planting at home was a lost business. Harvest was not enough to cover expenditure, not to mention profit. From the early 1990s onwards, most of our villagers went to Guang Dong to look for a job. My husband followed them in 1994, while I came two years later and left behind my two children with my parents-in-law.*

Quoted from field notes on talking with a worker from Si Chuan province



Unlike in the 1980s, workers crossing provincial boundaries to arrive in the PRD outnumbered local migrants in the early 1990s. The new phenomenon was called by the media ‘a tidal wave of peasant workers’ (*Mingong Chao*) or ‘unchecked flow of population (from the countryside to the cities)’ (*Mangliu*). After the Spring Festival of 1992, two million migrant workers from inland provinces flooded into Guang Dong (Xie, 1997).

### **Escalating Workplace Conflicts**

The working conditions in the region were more appalling. The upward potential of workers’ salary was restricted by the unlimited supply of labour and the local state’s labour-unfriendly policy. For example, enterprises in the PRD needed to pay a wage adjustment tax to the local government for monthly salaries over 600 yuan. The policy had the effect of restricting wage rises (Liu et al., 1992).

According to a survey by the Guang Dong Federation of Trade Unions, among 1,500 workers in twenty FIEs, 25.4 per cent had their identity cards, temporary settlement certificates (in the city) and SEZ passes kept by their employers to limit their mobility. The following sentences were quoted from workers:

‘I joined the factory like a beggar, worked there like a prisoner, and lived like a thief.’

A male worker who escaped from an electronics factory.

‘This [the factory] is an invisible prison, and we are prisoners without trials.’

A female worker working in a shoe factory.

(*Gongyun Yuekan*, 1994: 3)

During 1993 and 1994, the media in Hong Kong and China reported widely on the stories of long working hours, infringement of the minimum wage rate, physical abuse of workers, poor workplace safety, disastrous industrial accidents, and workers' protests.<sup>24</sup>

Li Bo Yong, the head of the central state MOLSS, expressed his concern:

This year's labour and employment condition is very bad, and the labour conflict cases have a trend of rapid escalation; last year the number of strikes, work stoppages, collective administrative complaints (*Shangfang*), petitions, marches and demonstrations was not lower than ten thousand, among them the foreign invested enterprises were most evident. At the same time, the problems of occupational diseases and industrial accidents were also very common, and needed to be resolved as soon as possible.... The MOLSS is actively preparing for legislation and setting up related policies. There will be a series of regulations and policies announced. It is hopeful that the above problems can be controlled or regulated to a large extent.

(*Kuai Pao*, 14 March 1994)

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<sup>24</sup> Referenced to *Gongyun Yuekan* (1994), AMRC (1995) and the Hong Kong Christian Industrial Committee's newspaper cutting archives. Examples of media reports include *Nanfang Gongbao* (3 January 1994).

Strike Tide<sup>25</sup> in 1993-1994

W.Y. Leung (1998: 38) reported ‘a momentous rise in the number of labour protests such as strikes, sit-ins and street demonstrations waged by larger numbers of workers during the years 1992-4’. She (W.Y. Leung, 1998) documented a chronology of reported labour protests in China from 1984 to 1994. Table II captures the cases concerning FIE workers in the PRD. The data appeared to show that there was no report specifically of protest by FIE workers in the area until 1993.

Table II: Reported Labour Protests of FIE Workers in the PRD from 1993 to 1994

Year	Organisation	Participants	Location	Goal
1993	Strike; formation of independent union	Workers (about 800)	Zhu Hai Japanese owned Cannon factory	Pay rise; improved benefit
1993 Jan-June	Strikes (nineteen incidents)	Workers	Zhu Hai	Terms of employment
1993 Jan-June	Strikes (ten incidents, involving 4,135 people)	Workers	Shen Zhen	Terms of employment
1994 Mar-April	Two-day strike	Workers (300 at a Hong Kong-owned plant)	Hui Zhou, Guang Dong province	Wage payment
1994	Independent union	Three leading organizers	Shen Zhen	Independent union, bulletin, educational and other service to workers.

(Source: W.Y. Leung, 1998: 331-335)

In the words of K.W. Jiang (1996: 139), there was an ‘unprecedented strike wave in FIEs concentrated in south China’ in the early 1990s, while Taylor et al.

<sup>25</sup> Apart from scholars (e.g. Taylor et al, 2003), labour activists in Hong Kong who conducted fieldwork in Shen Zhen and Zhu Hai during this period also portrayed the strikes as ‘tidal waves’ (*Bagong Chao*), to denote the wave-by-wave knock-on effect of the strikes.

(2003: 175) described it as ‘the third wave of strikes’ in the history of the People’s Republic.<sup>26</sup> A labour activist who investigated labour relations in industrial zones in the PRD in 1993 and 1994 commented that:

From the phenomena of workers’ self organization and the fact that a strike in one enterprise can inspire workers in other enterprises to form a strike tide, the potential capability of networking and organisation among workers in different enterprises is gradually manifested.

(*Gongyun Yuekan*, 1994: 12)

One of the typical strike chains happened in Zhu Hai. Although the wage level in Zhu Hai was second only to Shen Zhen in the early 1990s,<sup>27</sup> workers suffered from a high inflation rate. The national official figure of the inflation rate was as high as 20 per cent<sup>28</sup>, but even higher in Zhu Hai (AMRC, 1995; *Gongyun Yuekan*, 1994). A series of strikes was staged by workers for a reasonable wage adjustment: ‘During the 75 days from 9 March to 23 May, 12 strikes took place in 10 foreign-owned factories [in Zhu Hai], directly participated by a number of 7,263 workers, with an accumulated stoppage of 18,147 working day shifts’ (*Gongyun Yuekan*,

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<sup>26</sup> The first and second waves were both in the 1950s.

<sup>27</sup> According to *Guang Dong Statistical Yearbook* (1991), cited in Liu et al. (1992), the average monthly salary was 359 yuan in Shen Zhen and 304 yuan in Zhu Hai, followed by Guang Zhou, the provincial capital city, with 295 yuan.

<sup>28</sup> According to Yang Fan, a researcher from the Chinese Academy of Social Sciences, the inflation rate in 1992 and 1993 was 13 per cent, and rose to 20 per cent in 1994, which had surpassed the high level of 1988 (18.9 per cent) to reach a historical peak (W. Y. Leung, 1998: 79).



1994: 9; AMRC, 1995: 32). The following three strikes, which took place during 1993 in Zhu Hai, provide a glimpse into the general pattern of the strikes.<sup>29</sup>

### **Cannon Strike**

In March 1993, workers in a Japanese owned factory, Cannon, demanded a thirty per cent wage increase and provision of living dormitories. The management only agreed to increase wages by about seven per cent, and even worse, the extra wage would be deducted in cases of arriving late or leaving work early. Over 800 workers staged a strike. Zhu Hai Municipal Federation of Trade Unions (ZHMFTU) intervened in the case. On the one hand, they criticised workers' demands as unreasonable; on the other hand, they suggested the management withdraw the new regulation on punishment for late arrival and early leaving. Finally, workers returned to work and the company withdrew the new rule. At the end of the strike, labour activists who did not accept the arrangement resigned (Shek and Leung, 1998).

### **San Mei Strike**

One and a half months later, workers in another Japanese FIE in Zhu Hai, San Mei, staged a larger scale strike. They complained that the wage adjustment was unable to compensate for the inflation rate. At eight o'clock on the morning of 11 May, encouraged by some of the workers, 700 workers walked out of the workshops together and staged a sit-in at the entrance of the factory. The Zhu Hai Municipal LSSB officials came to mediate in the afternoon, and the police guarded the factory

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<sup>29</sup> The stories were recorded in three labour organisation publications: *Gongyun Yuekan* (1994), AMRC (1995) and Shek and Leung (1998). According to the authors and editors, they were based on newspaper reports and on-site visits to workers in preparation of the reports. I also referenced some news reports in Hong Kong newspapers in writing this section.

and warned the workers not to tell Hong Kong journalists about the strike the next day.

Two days later, the workers contacted the ZHMFTU and requested approval to organise a trade union in the factory. ZHMFTU responded that the trade union should be directly led by the ZHMFTU and a planned discussion should be held with the management before such a union could be established. The trade union was not formed, but workers elected a representative committee to negotiate with the management. One to three delegates were sent from each workshop or office, covering the levels of supervisors, group leaders and workers. The first negotiation was held on 18 May, in the presence of the municipal LSSB, the Foreign Investment Service Centre and the police.

The management tried to divide the workers by promoting three workers' representatives in the first negotiation meeting. Workers responded by electing new delegates. 'What is worth mentioning is, the dispute in San Mei stirred up a comprehensive strike among 3,000 workers in two nearby shoes factories' (AMRC, 1995: 37). A joint strike was organized in the two factories, which were owned by the same Taiwanese investor.

### **Ya Pu Luo Strike**

At the end of 1993, over 1,000 workers in Ya Pu Luo, a Chinese military background toy factory in Zhu Hai, went on strike for a wage rise. The organisers circulated hand-written pamphlets outside the factory, persuading others not to work and displayed a *Dazibao* (Big Character Poster) demanding improvement of working conditions and wages. The *Dazibao* was also posted outside the factory on the wall

recruitment and notice columns in the industrial zone to spread their action. The factory announced that the daily wage would be increased from eight yuan to ten yuan, which was still lower than the Zhu Hai Municipal minimum wage rate of 12.5 yuan. The workers' strike continued, and some of them even staged a sit-in outside the factory. On the third day of the strike, all of the hundreds of workers who were still on strike were dismissed.

### **1994 Strike in Shen Zhen**

One year after the outburst of the 'strike tide' in Zhu Hai, a strike happened in Yong Feng, a Taiwan-invested shoe factory in Bao An, Shen Zhen.<sup>30</sup> The factory was notorious for its cruel management, for example, workers who failed to walk along the special lines sketched on the floor were subject to a fine or physical punishment. Workers in this factory, who had lodged a complaint with the Shen Zhen Municipal Labour and Social Security Bureau (SZMLSSB) as their salaries were lower than the legal minimum wage, surprisingly found 150 yuan had been deducted from their salaries as meal and living fees, which had been provided free before. Workers' discontent was intensified by an incident of a safety guard beating a women worker. On the evening of 13 March 1994, the day they received their salary, a strike fermented: 'They created uproars, struck objects [to make noise] and expressed outrages' (AMRC, 1995: 38). The strike was first initiated by male workers in the assembly workshop where work was most intensive and low paid. The next morning, a notice was posted to call for a strike in the name of a 'temporary trade union'. Over 3,000 workers followed the appeal.

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<sup>30</sup> An anonymous labour activist, based on his interviews with the strike workers in 1994, recorded this story in AMRC (1995: 37-38). An informal interview was conducted with this activist to cross-check and clarify some of the information before this section was written.

The strike lasted for three days. Their dormitory and factory were next to each other but separated by a wall. During the daytime, the police were patrolling within the factory while workers stayed quietly in the dormitory. The outcries were not voiced until the dark of night:

As soon as the night came, workers created uproars, struck objects and threw sundries down to the floor or towards the factory. According to a worker, as it was easier to be recognised and punished during day time, they kept silent in days, but voiced out agitation at night, as it was hard to recognise workers, and the management or police dared not catch workers in the dormitory at night (because dormitory at night was the world of workers, catching workers might lead to violent conflict).

(AMRC, 1995: 38)

Workers were so worried about revenge that there were no representatives to negotiate with management during the dispute. An 'agreement' was reached between the management and officials from the LSSB without any involvement of or consultation with workers. The factory returned the 150 yuan to workers, but workers needed to sign new contracts with the factory formalising the charging policy. The exchange 'concession' from the management was the overtime wage rate to be increased from one yuan per hour to 2.1 yuan, the minimum standard regulated by Shen Zhen municipal government. The LSSB also announced that the 'temporary trade union' was an illegal organisation. Some of the leaders quit their



jobs in fear of punishment. But most of the workers did not know who the initiators of the 'temporary trade union' were.

### **'Socialist' Control Mechanism in Decline**

The traditional form of labour control ceased to be effective. F. Chen's (2003b) nationwide observation indicated that the official trade unions faced a contradiction between their roles of representing (workers), mediating (conflicts) and pre-empting (independent trade unionism) after the reform. But we saw in South China that workplace trade unions significantly lost their position in pacifying workers and mediating workplace conflicts in the private sector, although in some cases, the municipal or district trade unions still took a role in accommodating workers. The Party Committee was also absent from the FIE, TVE and POE workplaces. Even as early as 1986 when strike activities were still moderate, a trade union report on the Sanyo strike revealed that trained cadres were insufficient to tackle such incidents (W.Y. Leung, 1988). When the open policy was accelerated and FIEs and JVs flourished after 1992, it was impossible for the traditional model of intensive workplace intervention from the trade union and Party Committee, a residue of state socialism, to be maintained anymore. Indeed, the SKIZFTU model, featuring trade union cadres' close relationship with rank and file workers and their successful mediation role, was one of the four models promoted by the ACFTU (ACFTU, 1995; Feng, 2001). Nevertheless, it was never successfully followed by other industrial zones.<sup>31</sup> As Howell (1993: 8) pointed out, the 'ideological dilemma' of trade unions had increased the tension between trade unions and their members, which accounted for the emergence of autonomous trade unions in 1989. After 1989, the role of trade

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<sup>31</sup> Field notes from talking with a labour researcher on mainland Chinese labour in Hong Kong.

unions among workers was further eroded. In order to calm down tense labour relations, the state encouraged the ACFTU to establish trade unions in FIEs. A new version of the Trade Union Law was also announced in 1992 to consolidate trade union collective consultation rights, while heightening control of higher-level trade unions over their affiliates. In 1994 alone, 17,293 trade unions were set up in FIEs, nearly double the total figure of the previous ten years. But, as pointed out by many researchers (e.g. K.W. Jiang, 1996; Cooke, 2005; A. Chan, 2006), most of them were organized and fully manipulated by the management and were not even able to perform the socialist 'transmission-belt' role. Without consent from the management, the higher level trade union would not approve an application from workers to register a trade union (AMRC, 1995). The LSSB then replaced the trade union in mediating between workers and management.

### **The Repressive State Apparatus**

The legacy of socialism declined, but the state apparatus became more repressive toward workers. China's export-oriented developmental trajectory seemed to follow the path of Korea and Taiwan, where labour and political opposition was ruthlessly suppressed by the state and business nexus (Haggard, 1983). In the face of the emergence of large-scale workplace protests, the police and LSSB, which had tended to be neutral in the 1980s, were then more active in cracking down on workers' activism. Their suppression impeded but could not eradicate the wide spread of workers' collective actions. A new control ideology, legality or rule by law, was therefore created (Lee, 2002a). In 1993, the 'Rules on Handling Enterprise Labour

Disputes' were introduced, followed by the more comprehensive Labour Law in 1994.

### **Why Do Workers Become Radical?**

Workers' consciousness made great progress in terms of their demands, collectiveness, strike duration and strategies compared with the strike in 1986. They elected representatives and even attempted to organise independent trade unions. In some cases, their actions were well-organised (e.g. in San Mei); in other cases, they adopted passive but wise tactics to escape suppression and lengthen the struggle (e.g. in Yong Feng). What are the reasons for this change?

Firstly, exploitation was intensified. As the wage level was not increased proportionately to inflation, the real wage in fact decreased. Labour abuse cases were very common. In 1993, eighty-three young workers died in a fire in a Hong Kong-invested toy factory, Zhi Li, in Shen Zhen. The case was reported widely in China and Hong Kong.<sup>32</sup> Hong Kong labour NGOs and activists began to initiate labour rights campaigns in the region. The ACFTU also took a pro-labour stance on this issue.<sup>33</sup> FIEs' illegal abuse of Chinese workers' rights became one of the hit discussion topics in the media. The social atmosphere was positive in encouraging workers' struggle.

Secondly, as Xie (1997) found, migrant workers' temporary communities had emerged in the PRD and were developing into a civil force.<sup>34</sup> According to his study

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<sup>32</sup> The factory supplied products for Italian brand Chicco. Details of the case refer to case thirteen in A. Chan (2001).

<sup>33</sup> See ACFTU published bulletin *Zhongguo Gongyun* (1994: 8-9), or case thirteen in A. Chan (2001) for a detailed account.

<sup>34</sup> For a more forceful study on original-place-based migrant workers' community in Beijing see Zhang (2001).

in Guang Zhou: 'migrant workers' communities (*Mingong Cun*) have their own internal organisations, [which are] regulated by market and maintained by locality, solve the problems with a certain level of strategies' (Xie, 1997: 199). One of the labour activists in Hong Kong who had conducted surveys in the PRD in 1993 and 1994 suggested a knock-on effect of strikes: 'Strikes were just like flu, which infected one factory after another. Workers had linkage with each other.' A labour activist I met in Shen Zhen also related that 'after every big strike, there were follow-up strikes in the surrounding area. Workers knew each other through the network of *Laoxiang* (people from the same place of origin).'

Thirdly, the background of workers was different from the 1980s' generation. A labour activist who had interviewed striking workers in Zhu Hai in 1993 told me that most of the workers were fresh graduates from secondary school. According to him, there was also a boom in workers' literature (*Dagong Wenxue*) during the early 1990s. In contrast, those working in She Kou in 1986 were described by trade unions as having 'not enough education' (W.Y. Leung, 1988: 164). In the above strike cases, workers' knowledge of laws had much improved. Difference was also found in working experiences. The early 1980s migrant workers had worked or witnessed the working system in communes for a period of time. As the communes had the effect of disciplining workers, the effect on the new generation was lower. An employer, on the other hand, credited the more recent enlightenment of workers to the media and internet: 'There are even internet bars in rural villages, not to mention the TV and newspapers. You cannot cheat them anymore.'



## 2004: Strike for a Union

*I suddenly remembered some data... The number of strikes in Shen Zhen and Dong Guan involving more than 1,000 workers in enterprises this year[2004] was as high as over thirty, but most were eventually defeated... Why? The key point is that we did not organize ourselves. Basically we, the higher positioned staff, did not stand up.*

An engineer in the Uniden strike (quoted from a workers' blog)

### Legal Mobilization and Its Limitation

The capacity of the new generation of workers to defend their interests and rights was not only evidenced in the spreading of strike experience, but also in their legal mobilization strategy. As showed in Table III,<sup>35</sup> the labour laws were promptly exploited to express workers' grievances as soon as they were effective (Gallagher, 2005), while trade unions ceased to play a significant role in workers' lives and the accomplishment of wildcat strikes was constrained by the state strategy to suppress independent workplace organizations. In Shen Zhen in particular, the number of cases handled by the labour dispute arbitration committee was one tenth of the national figure (*Nanfang Ribao*, 28 October 2004).

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<sup>35</sup> Arbitrated Collective Labour Disputes in Table III refers to cases involving thirty employees or more.

**Table III: Arbitrated Labour Disputes in China: 1993-2004**

Year	Arbitrated Labour Disputes	Workers Involved in Arbitrated Labour Disputes	Arbitrated Collective Labour Disputes
1993	12,368	35,683	684
1994	19,098	77,794	1,482
1995	33,030	122,512	2,588
1996	47,951	189,120	3,150
1997	71,524	221,115	4,109
1998	93,649	358,531	6,767
1999	120,191	473,957	9,043
2000	135,206	422,617	8,247
2001	154,621	556,230	9,847
2002	184,116	608,396	11,024
2003	226,391	801,042	10,823
2004	260,471	764,981	19,241

(Source: National Bureau of Statistics of China, various years)

Lin (1998) observed that after 1994 the number of strikes in the PRD has been stable as the labour laws provided a base for conciliation. This was the central state's effort to absorb workers' radical actions into administration-managed legal channels. A. Chan (1993) argued that corporatism emerged after the insurgency in 1989, yet the basic underlying logic of transformation was social 'stability' and 'development',<sup>36</sup> rather than state corporatism or social partnership in a western style (Clarke and Lee, 2003; Clarke et al., 2004). Thus, in the experience of workers, although the awareness of law was continuously raised over time, the reliance on law soon demonstrated its weakness and limitations.

<sup>36</sup> A quotation from Deng: 'Stability has priority over all other things' (*Wending Yadao Yiqie*) became a propaganda slogan after 1989 and was accompanied by another one: 'only development is the great truth' (*Fazhan Cai Shi Dalaoli*) to dominate the political discourse after 1992.

One of the main constraints was the time-consuming nature of litigation. As soon as they lost their jobs, the workers also lost their accommodation provided by the factory. If they found another job, it was difficult to obtain leave from their new employer to attend labour arbitration court and so on. No boss likes their employees to be in conflict with another factory. If they did not join a factory, the accommodation and living expenses were a costly burden.

*China Labour Bulletin* (CLB, 2005) in Hong Kong reported stories of jewellery workers' struggles for compensation for silicosis. In one of the cases, a worker by the name of Chen Xing Fu took almost three years to win 172,293 yuan compensation by labour dispute arbitration. But his huge expenses of 40,000 yuan, including lawyers' fees, transportation to and from his home village, and living expenses in the city, were totally neglected by the court.

Moreover, after years of legal procedure, even though workers won the lawsuit, the factory might close down or move to another city in another name to evade responsibility (CLB, 2005), especially for cases involving huge compensation and small-sized factories. The limitations of the legal protection forced workers to use other means of protest, usually more radical, such as petitioning the authorities (*Shangfang*) with high level government, demonstration on main roads and even an international campaign with assistance from overseas NGOs.

### **A New Tidal Wave of Strikes**

Alongside the widely reported phenomenon of 'shortage of labour', labour NGOs and media paid attention to the rising frequency of wildcat strikes after 2004. In 2005, I was told by an NGO organiser who had worked in the PRD for eight years

that at least half of the workers she talked with had experiences of striking. One of the cases which struck Shen Zhen residents and media was that of the Meizhi Haiyan Electronics Factory. On 6 October 2004, one of the city’s main highways was blocked by more than 3,000 workers for four hours. Workers were employed by the Sino-Hong Kong JV, Haiyan. They complained of low wages and long working hours. Their monthly salary was as low as 230 yuan for a twelve-hour working day, while the legal minimum monthly salary for an eight-hour working day was 610 yuan. Besides, the company did not pay the social security insurance required by the law. After representatives negotiated with government officials, 1,000 workers left the scene spontaneously, while the remaining 2,000 were driven off by the police (*Nanfang Ribao*, 7 October 2004). Workers’ average salary was soon increased to about 900 yuan. Two months later, the factory was fined over 1.96 million yuan by the Labour and Social Protection Bureau for violating the Labour Law (*Nanfang Ribao*, 7 December 2004).

**Table IV: Workers’ Collective Action reported in the PRD from 2002 to 2005<sup>37</sup>**

	2002	2003	2004	2005
Incidents reported	3	10	22	35
Incidents involving in excess of 1,000 workers	0	2	9	13
Incidents resulting in physical conflicts with police	0	2	7	12

(Source: P. Leung, 2005)

<sup>37</sup> The data with detailed sources and short description was produced by Parry Leung who has worked in independent labour NGOs in Hong Kong and researched into labour conditions in the PRD since 2000. An interview with him found that the data was produced from his wide scanning of NGO publications and media research with the search engine of the internet data base, Wisenews. The author is indebted to Leung’s sharing of his research data.



Workers' protest in the region has progressed in scale and radicalization since 2004 as presented in Table IV. However, further analysis found that more than half of the collective protests involved delayed payment or deduction of the wage. It showed that workers' protest was still a response to the intensification of exploitation.

**Table V: Reported Causes of Collective Actions in the PRD<sup>38</sup>**

1. Delayed or deducted wage	39
2. Long working hours	7
3. Abuses such as body searches or physical punishment of workers	6
4. Unreasonable dismissal	6
5. Rights and interest violations resulting from SOE privatisation	6
6. Occupational diseases	4
7. Anti-Japanese	2
8. Wage rise demand	1
9. Bad food quality	1
10. Demand a trade union	1
11. Pension insurance	1

(Source: P. Leung, 2005)

The most eye-catching case from the data is that of a workers' strike demanding a trade union in a Japanese electronics factory, Uniden, in Shen Zhen. As discussed above, Yong Feng workers in Shen Zhen had tried to organize a trade union in 1994 but this had been declared 'illegal' by the state. I chose the Uniden case for further investigation in order to gain an insight into the extent of material

<sup>38</sup> Ibid. Some cases involve more than one reason, so the total figure in this table is more than sixty-three, the total number of reported collective actions.

progress of workers' self-organising, management strategy and state policy in Shen Zhen. Overseas media, labour NGO documents and internet blogs written by workers provided ample information on this case.

#### **Uniden Strike in 2004**

The Japanese factory, which was set up in 1990 in an industrial town in Bao An, Shen Zhen, had 16,000 Chinese employees in 2004, of which 1,000 were male-dominant managerial and R & D staff and the others female production-line workers from sixteen to thirty years old. For many years, the company assumed a policy of 'R & D in Japan, production in China, and sales in the US'. In 2004, the top management changed the strategy by transferring the R & D base to China. As a result of the expansion, the company relocated part of its production to the province of Jiang Xi to the North of Guang Dong. The physical size of the Jiang Xi plant is double that of Shen Zhen with a long-term strategy to make the former a manufacturing centre and the latter an R & D base. The factory recruited hundreds of engineering professionals in Shen Zhen for this reason. According to one of its managers, the main reason for the new strategy was market pressure: 'Without extending our product variety, we cannot get big retailers, such as Wal-Mart and Best Buy,' he said.

When the factory unfolded its ambitious plan in China, a strike happened in late 2004. It was the fourth significant strike since the establishment of the factory. The three strikes beforehand were well mollified by the management with co-operation from the local government. 'Disobedient' workers were sacked after the three previous strikes.

The immediate cause of the strike in 2004 was that the factory had dismissed without any severance compensation a worker who had served in the factory for nearly ten years. On a Friday morning in December 2004, a suggestion letter (*Changyi Xin*) was sent to the company-provided e-mail address of all administrative and technical employees. The letter set out fifteen demands, which included realisation of the promise to establish a trade union and a permanent contract for workers who had served for ten years, and ended with: 'Hope the above points are responded by 16:00 of XX(day) XX (month) [the same day the letter was circulated]. Otherwise, we will take action as soon as possible.'

At 4.00 p.m., workers began to walk out from the production building. Employees working in the technical and administrative departments had not yet joined the strike. The officials from the district LSSB arrived at the factory soon after the gathering of workers to talk with the management. At 9.00 p.m., a pamphlet was circulated among rank and file workers. Its message was more or less the same as the e-mail message, but with an extra call for workers to elect representatives on a group basis in order to negotiate with the 'Japanese'. 'Now we need to negotiate with the legal representative (*Faren Daibiao*) from Japan, we don't recognise any Chinese mandated by the Japanese... We will hire a lawyer and interpreter to negotiate with them,' the paper read.

The next day was Saturday. After a morning meeting of all the production department heads, the factory announced to the production workers that the day was a factory holiday and work would resume on Monday morning. Staff in non-production departments still needed to work as usual at 8.00 a.m. However, contrary

to the management's expectation, the staff working in the technology building came out to join the strike from 11.00 a.m. onwards. The pamphlet which was circulated among production workers now also reached the technical staff. The progress forced the management to announce at noon that the technology building would also be closed in the afternoon.

Some technical staff held a meeting to reach a consensus that all demands of the production workers should be supported. Workers tried to call the media on Sunday and Monday, yet there was not any response. From 6.00 a.m. on the Monday, thousands of production workers first rallied on the drill ground of the factory and the pavement outside. By then, representatives had been elected. The workers were joined by technical staff at 8.00 a.m. To draw public attention, 600 to 700 women production workers walked towards the highway. Yet they were stopped by well-equipped police and security guards who had stood by.

At 10.00 a.m., some representatives stood up on a stage to brief the assembled mass. Among others, the trade union was a key issue to be addressed. One of the representatives recalled the speech of a representative:

The factory had promised to set up a trade union during the strike in 2000. Why had they not done so by now? The factory can dismiss workers casually, deduct and keep wages, set up unequal regulations, conduct body checks when [workers are] getting on and off work and even bring in the security guards to grab the women workers who were sacked but still working in the factory. Why [could these things happen]? It is because workers are a weak community.



Now we should protect our own rights. We should form our own trade union to protect our workers, and protect the legal rights and interests of us all.

Workers were encouraged by their representatives to speak on the stage. One of them suggested forming a trade union preparation committee. The idea was hailed by the assembled mass. More than fifty workers, recommended by their workmates or made to stand by them, became committee members. Among them, Tom and Henry, who were both working in technical departments, rose to be natural leaders. They announced:

Now our trade union preparation committee is established. Those standing above are temporary members of the trade union preparation committee. We are now going to negotiate with the Japanese. Please go back home now and return here again tomorrow morning at 8.00 a.m. We will report back to you any new progress by then. We should not agree with anything spoken by the government or the factory people.

#### **Police, Trade Union and Labour Bureau: Pro-management?**

The police station officers recorded the whole process of the assembly on camera. Some workers tried to stop them, but the policemen focused their camera on these workers and threatened to arrest them.

After the end of the assembly, the preparation committee members contacted the SZMFTU and asked if a spontaneously organized workers' trade union was legal or not. The city trade union responded that it was legal and asked them to contact the town level trade union branch for help. Members then called the town union which then told them that they would come to the village Party office to talk with them at

2.30 p.m. A committee lunch meeting was held to elect twelve negotiators. These representatives indeed were also those elected by workers before the morning rally. Other members arranged to stay with workers and report the scenario outside to the negotiators.

The town trade union cadres came, but their meeting with the committee members was eventually held in the human resources office of the factory. Before the arrival of the trade unionists, the government officials had already arrived at the factory to talk with the management again. When the twelve representatives went into the meeting room, twenty government officials and factory managers walked out of the building and headed to the drill ground where some workers had gathered. When officials from the district LSSB were going to address the workers, representatives outside the negotiation room informed the negotiators. Henry, an engineer, came out and told the workers: 'Our negotiation is now under way, and we have not reached any agreement at this moment. Please act according to what we said in the morning.' The police camera followed Henry during the whole process. The labour bureau official continued his speech, although workers started to disperse. The camera was not only directed at the representatives, but also at other workers gathering inside the factory grounds, especially those standing in groups. Representatives heard that during their meeting at noon, at least four women workers had been forced to sign documents agreeing to return to work.

The negotiation was going well, and several dozen points were agreed. Representatives who came out from the meeting tried to calm down the emotions of

workers who had still not dispersed and persuade them to go back to work as soon as possible.

### **Workers' Representatives and Union Rights**

Following the resumption of production, some unlawful policies were abandoned by the factory, but the main part of the agreement was not implemented. One item in the deal stated: 'The implementation of the above rules is to be monitored by the workers' representatives.' However, the management said that they did not recognise the representatives, as they did not have legal status. Another item stipulated that a trade union would be set up in July 2005 with the collaboration of the management and workers' representatives. Yet again, the management ruled out the role of the workers. In addition, the factory used different excuses to force the resignation of some activists.

Tom, the financial manager of the information technology (IT) department, was one of those subjected to revenge by the top management. The IT department was undergoing restructuring under a manager dispatched from Japan. Tom and other managerial staff who took part in the strike were removed from their posts. Because some other representatives were also forced to quit their jobs, the pressure on Tom mounted.

One day in April 2005, once more Tom asked the Japanese manager for rearrangement of his work. The manager replied that a letter of guarantee should be signed in exchange for the work. Tom rejected this and argued with him. In the afternoon, Tom went to the human resources department for further negotiation, but

surprisingly, two policemen awaited him to persuade him not to 'exacerbate the issue'.

Several days later, Tom was sacked. A factory-wide strike was staged to demand Tom's reinstatement and for a wage rise in accordance with the law. The strike lasted for four days and ended without any significant promise from the management. According to workers, on the third day, the police began to bother the family members of the organizers who stayed in Shen Zhen. It was a crucial point to force a setback for the workers.

After the strike, the company decided to reactivate the previous production base to reduce risk in China. On the other hand, the factory announced that it would strictly abide by Chinese laws. A trade union was set up. A department-based union committee election was held, but the management tried to manipulate the election by asking managers and supervisors to stand as candidates. Still, at least two rank and file workers outside the management list were elected in production departments. The two, however, could not bear the pressure from management and soon resigned from their union posts. They were repeatedly scrutinized for their relationship with the outgoing strike leaders.

### **Significance of the 2004 Strike**

A common distinguishing attribute of the Yong Feng strike in 1994 and Uniden in 2004, both in Bao An district, was that some workers aspired to organize a trade union to represent the interests of workers. In both cases, the legal minimum wage rate was implemented, at least superficially, after the strike. The leaders of the strike were more or less forced to leave the factory. The two strikes both occurred at the



same time as a wider tidal wave of labour conflict. Nevertheless, there were some differences in the process and result of the strikes.

First, in the Uniden case, a trade union was formed with support from the local state and ACFTU branch. When workers telephoned the city trade union branch, their response was unambiguous: it was legal to form a trade union. In 1994, however, the LSSB officers and ACFTU local branch did not appear to support the establishment of a trade union in Yong Feng. In Uniden, representatives sought help from high-level trade unions and formed a twelve-member negotiating team; in Yong Feng, workers did not declare their status as strikers or temporary trade union leaders, so that no worker was involved in the negotiation process.

Second, while workers in Yong Feng internalized their struggle within the dormitory, Uniden workers tried their best to externalize their campaign, using methods such as calling the media, attempting to block highways to gain public attention as well as writing blogs and a web forum to inform the outside world.

Third, the above two points link to a third difference in leadership. In Uniden, well-educated technical professionals joined in to lead the struggle, while the leadership of the Yong Feng strike solely relied on production workers.

The strike of San Mei workers in Zhu Hai in 1993 might have been better organized than Yong Feng. However, comparing San Mei with Uniden in 2004, the key similarities and distinctions stand out well. In the same way, we saw the progress of Yong Feng workers compared with their counterparts of San Yan in 1986, Uniden workers had advanced in terms of their organizing capacity, struggle strategy as well as the duration and scale of the strike. The advance was related to

the expansion of capitalism in China, workers' accumulation of experience as well as the modification of Chinese state policy.

### **The Power of the State and Trade Union**

Despite this progress and advance, a common limitation underlies the workers' organization. Even though workers in Uniden were 'successful' in forcing the management to form a trade union, the trade union was still manipulated by management, which was supported, or at least acceptable, to both the ACFTU and the local authority. In the Uniden case, the follow-up strike in 2005 was actually defeated under alleged pressure by the police on the families of the leaders. Subsequent compliance with labour laws and establishment of a trade union was a response of the factory management to hidden state and ACFTU pressure. In fact, the ACFTU has urged giant FIEs to set up trade union branches since its 2003 Wal-Mart campaign. A worker in Uniden wrote in a blog: 'Recently the news reports widely that the Chinese government is urging Wal-Mart to set up trade unions. When workers read [the circulated e-mail of fifteen demands], all felt faintly that something should happen in the afternoon.'

In this regard, the 'socialist' state still holds enough power to exert authoritarian social control and a 'socialist' trade union still functions as an arm of the Party-state, although a softer strategy has been applied in the post-Mao era. In fact, the state kept on adjusting its labour policy and ruling strategy during the reform period under the pragmatic ideology of 'crossing the river by touching the stones'. The landscape of labour relations was therefore a reflection of dynamic

relations of economic development status, management response, state intervention and workers' collective struggle strategy.

### **Shortage of Labour and a New Generation of Workers**

The term 'new generation of peasant workers' (*Xin Yidai Mingong*), despite its ambiguity, has been commonly used in the media since 2004 to explain the 'shortage of labour' in the country. In early 2005, the State Council requested the State Council Research Office (SCRO) (*Guowuyuan Yanjiushi*) to coordinate a national project team to conduct 'comprehensive, systematic, and in-depth' research into the 'problem of peasant workers', in order to inform a policy paper on the issue (SCRO Project Team, 2006: 11). The nationwide study by central and provincial experts lasted for over ten months and laid down a foundation for the central government's guideline document 'Some Opinions Regarding the Solution of the Problem of Peasant Workers from the State Council'. According to the study, sixty-one per cent of the migrant workers are from sixteen to thirty years old, twenty-three per cent from thirty-one to forty and sixteen per cent forty-one or more. Sixty-six per cent were educated to junior middle school (nine years), but only twenty-four per cent had received skill training. The SCRO report concluded that 'nowadays and in the near future, the supply of labour force in our country is still more than the demand in general' (SCRO project team, 2006: 9). As evidence, the project team concluded that there was a huge number of surplus labourers, 150 million in rural regions, which was still escalating at a yearly rate of six million (SCRO project team, 2006: 94). For the project team, the trend in the long run will be 'aggregated surplus and structural shortage' (SCRO project team, 2006: 9). Based on this assumption, the project team

suggested ten policies, in order: training and job match service; wage and employment management; OHS; social security; education of migrant children; public sanitation and family planning services; housing; farming land contract; and legal rights of migrant workers. As can be seen, in spite of being far reaching, the suggestion prioritized the skills training, matching service and improving wages and working conditions in solving the labour 'problem'.

The implication of the SCRO study for the pattern of labour conflict which this thesis focuses on is twofold: first, skill is scarce and matters. The relocation of the R & D department to China by Uniden created a big range of technical employees in the factory, who had taken a leading role in the strike. It is skilled workers with better market position who take a leading role in workers' collective struggles. Second, the reported 'shortage of labour' and high turnover rate was a reflection of workers' general discontent towards alienation, exploitation and appalling working conditions. The 'shortage of labour' and the new tidal wave of strikes are actually twin effects of an expanding and transitional stage of global capitalist production in China.

## **Concluding Remarks**

The period from 1979 to 2004 evidenced China's integration into a global capitalist economy. As the frontier of the transformation, Shen Zhen experienced rapid and dramatic industrialization, which produced and reshaped the landscape of class conflicts in the region.

In the 1980s, when the open door policy was in the experimental phase, industrial relations were placid in the city. Migrant workers, who had been members



of communes or peasants in rural Guang Dong, were under the intensive management of the administration, trade unions and Party Committee. Their knowledge, experiences and subjectivity for resistance to unfair treatment and poor working conditions were very limited. The legacy of state socialism, including the land system, *Hukou* and official trade union and Party Committee, all took key parts in pacifying the workers.

From 1992 onwards, a new wave of urban reform was initiated, symbolising the all-round expansion of the open door policy. The PRD was subjected to competition for FDI from other parts of China as well as other developing countries, which in turn led to an intensification of exploitation in FIEs. Economy in the rural areas was declining and gave rise to a new generation, an educated 'tide of migrant workers' to the PRD. As a result, workers began to stage strikes and other forms of struggle against capital. The struggles were limited by the absence of the right to free association, and hindered by state intervention in favour of capital. However, their actions were successful in influencing both state policy and management behaviour. The traditional control mechanism was not enough to settle the escalating class conflict. The state was forced to initiate a legal reform. While legality provided workers with new instruments and a strategy to defend their interests and rights, it also showed limitations.

After China joined the WTO, the country's integration into the world economy entered a new phase. The expansion of capitalist production provided workers with new opportunities for jobs and rebellion. Although there was some progress of the new tidal wave of strikes from the mid-1990s, the same impediment remained

unchanged. The making of a new working class in China is, therefore, a tough and long process. However, the Chinese society and state seemed to transform their own logic. Various aspects of the nature and prospects of this transformation are worthy of deeper studies. Concerning labour politics and labour conflict, which are the main concerns of this thesis, seven key questions which could not be fully satisfied in this chapter await further proper answers:

- 1) How is a migrant workers' urban community formed? What is its role in workers' collective actions?
- 2) How is a strike organized?
- 3) How is workers' experience of struggle spread out and accumulated?
- 4) What are the characteristics of the organizers or leaders of workers' collective action?
- 5) What is management's strategy to combat workers' protests?
- 6) What is the impact of the workers' struggle on state, management and society?
- 7) What are the possibilities and limitations of the new Chinese working class to challenge global capitalism?

In subsequent chapters, I will try to contribute my part in unveiling these mysteries based on ethnographic data.

## **Chapter Four**

### **Community and Shop Floor Culture: a Prelude to Workers' Protest**

*Kinship, neighbourhood and community have long been central, not just to the academic concerns of social scientists, but to the everyday attempts of ordinary people to understand and interpret their lives.*

Benson (2003: 117)

#### **Introduction**

This chapter is a prelude to the next chapter which illustrates the development of labour conflict in the Sun factory. Drawing from the perspective of new labour history, which emphasizes the role of community life in the formation of workers' class-consciousness alongside the workplace structure, this chapter sheds light into migrant workers' social and cultural life in one of the migrant workers' villages (*Mingong Cun*), in which the Sun factory is situated, and its impact on the labour process in the factory. It is argued that the bases of power domination and subordination in community and workplace are in fact reinforced by, rather than separate from, each other. The politics of locality, gender, age and skill are exploited as mechanisms of oppression, as well as being, as will be shown in the next chapter, a starting point of solidarity. This argument is complementary to both contemporary ethnography on the role of place and gender in the formation of women migrant

workers' subjectivity (Lee, 1998; Sargeson, 1999; Pun, 2005a) and the function of gender, skill and original-place orientated gangs in the rise of manufacturing workers' struggle in the 1920s (Hershatter, 1986; Honig, 1986; Perry, 1993). My departure from their positions is the attention to labour market and community dynamics (Hodson, 2001). The chapter begins with a sketch of Militant village, where the Sun factory is situated, and the attempt of Liao Lin, a worker of the Sun factory, to run a corner shop in the village with his wife. The prevalence of gangster activities forced the couple to close the shop. The original-place-based gang and workers' social life in the community will be outlined. This is followed by an introduction to the labour process and work culture in the Sun factory and how they are shaped by community social life and power relations. The construction process of industrial masculinity and its relations to skilling will be specially examined.

### **Factory, Community and Locality**

The Sun factory, which produces small domestic appliances, e.g. coffee pots, toasters and fans, was set up in 1992 as a FIE by a Taiwanese businessman in Shen Zhen. At its outset, the factory employed only twenty to thirty workers. In the late 1990s, a Taiwanese listed company, the United Group, took over fifty-one per cent of the shares of the factory's holding company. The original sole investor, who kept the remaining forty-nine per cent of shares, acted as the general manager (GM) running the factory; United, on the other hand, contributed its global distribution and sales network to the joint venture. In this way, the factory was expanded into a giant producer with three plants. The oldest plant consisted of premises that had been rented from the local village government since the early 1990s. The second plant,



which workers in Shen Zhen called the 'new factory', is the company's own property and was launched in 2001. In 2004, the joint venture invested a total of 150 million US dollars to build a new factory in Hui Zhou, a city on the eastern side of Shen Zhen. Eighty per cent of the factory's products are exported to US and European markets, with Wal-Mart as its biggest customer. There were 2,000, 4,000 and 5,000 workers in the old, new and Hui Zhou factories respectively at the time of my fieldwork. In the Shen Zhen operations sixty per cent of workers were male. They came mainly from the provinces of Gui Zhou, Si Chuan, Hu Nan, He Bei, and He Nan, with those from Si Chuan and Chong Qing<sup>39</sup> the biggest group.

The production, social life and informal networks in a migrant workers' village (*Mingong Cun*) has been well sketched by Zhang (2001), who revealed that the Zhe Jiang village, one of the most well-known migrant workers' villages in Beijing, was a result of negotiation and interaction between local authority officers and original-place-based social elitists, who were employers, and the agency of the migrant workers in the urban villages. The village was finally shut down under the state's policy to maintain a tidy capital city and proper social control, implying the vulnerability of the migrants' temporary settlements in the cities without urban citizenship. Within these villages, power relations were based on social relations and informal networks originating from their original home counties. In South China, a study on Zhe Jiang village in Guang Zhou was presented by Xie (1997: 199) where he stated that 'migrant workers' communities have their own internal organisations,

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<sup>39</sup> Chong Qing was the biggest city of Si Chuan province, until it was designated as a municipality directly administered by central government with a status equal to a province, in 1997. Migrants from Chong Qing continued to identify themselves as Si Chuan people after the reform of the administration.

[which are] regulated by market and maintained by locality, and solve the problems with a certain level of strategies’.

As a major migrant metropolitan city which rose after 1979, Shen Zhen is second to none in the size and proportion of the migrant population as well as the phenomenon of *Mingong Cun*. At the end of 2005, out of its 8,277,500 total population, 6,458,200 were temporary settlers, who were mainly migrant workers (Shen Zhen Municipal Statistics Bureau, 2006). As most of the factories in the city were built within or near a residential area, workers lived in either dormitories provided by the factories or private houses in nearby communities. According to a survey in the PRD in 2006<sup>40</sup>, 60 per cent of the employed migrant workers lived in collective dormitories or workplaces, 35 per cent in private houses rented from the local citizens, and only 5 per cent lived with family, relatives and self-owned houses. Kinship and original-place networks prevailed in both dormitories (Smith and Pun, 2006) and villages. The police statistics revealed that there were 290 natural villages settling more than 1,000 temporary migrants in Shen Zhen, which were hailed as *Cheng Zhong Cun* (village within a city) or *Mingong Cun*, and two million or 643 groups of migrants lived as ‘*Tongxiang Cun*’ (the same original-place village) (*Southern Metropolitan Daily*, 16 November 2005).

With a territory of 9.8 square kilometres, the community that I call Militant village is one of the biggest *Mingong Cun* in Shen Zhen. Official data in 2002 showed that more than fifty thousand temporary residents settled in the 4,500 letting flats in the village with 180 registered enterprises and 2,200 permanent residents.

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<sup>40</sup> The survey was conducted by the project team for ‘research on the problem of peasant workers under urbanisation’ (Ren and Pun, 2007).

According to the community Party Secretary, the residents originally from the provinces of Si Chuan, Gui Zhou and Hu Nan account for the majority of the migrant occupants (*Southern Metropolitan Daily*, 16 November 2005).<sup>41</sup>

Production capacity expansion of the existing factories and the new investment since the turn of the century had drawn a huge number of migrant workers into the village. Workers told me that the area I lived in was a new development after 2003. About 100 multi-storey blocks had been built in an area of less than 0.25 square kilometres.<sup>42</sup> Each building was composed of dozens of small flats or rooms. The rent of our fifteen square metres *en suite* with one bedroom and one lounge was 220 yuan per month. I shared the flat with Xiao Lin, a veteran Sun factory worker. Our opposite neighbours were two couples. One bed was installed in the bedroom and the other in the small lounge.

### **A Young Couple's Journey in the Community**

While Marx tended to explain proletarian class-consciousness by common production positions and workplace experience, labour historians have stressed the role of the working class community behind workers' militancy and solidarity (Dawley, 1976; Richards, 1996; Benson, 2003). As Hayter and Harvey (1993) put it, relocation of industrial capital caused the deconstruction and reconstruction of workers' communities around the world. However, in China, the formation of an urban community was more problematic. For millions of young rural migrants, the struggle to live in the urban area was driven by the material aspiration to improve living conditions and cultural desire to escape the social stigma attached to being a

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<sup>41</sup> The information was synthesized from newspaper reports.

<sup>42</sup> This was based on the author's estimate.

rural villager (Tam, 1992; Pun, 2005a). Their dream of modernity was however brutally impeded, if not virtually shattered, by the rural-urban segregation under the *Hukou* system.

The story of Xiao Lin and his wife, Xiao Ying, was just one of the examples of the new generation's hope and frustration, struggle and pride to sustain their family in the modern city.

### **Xiao Lin's Family**

Xiao Lin was a twenty-four-year-old male worker from Gui Zhou province, who had grown up in an impoverished family. As farming was not enough for the subsistence of their five-member family, his father set off to the province of Zhe Jiang in East China to work in the construction sector as early as 1993, leaving his older sister, younger brother, stepmother and Xiao Lin at home. He had helped his parents' work, farming, since he was in primary three grade. Xiao Lin could not forget he had had to walk a long journey by a mountainous slippery pathway to a cigarette factory carrying sixty kilogrammes of tobacco on his back when he was in secondary school. As soon as he graduated from junior secondary school, he followed his father to Zhe Jiang and worked in small factories. Two years later, he was requested by his parents to go back home and get married to Xiao Ying.

Just before XiaoYing gave birth to a boy in the middle of 2003, Xiao Lin left his wife and followed one of his *Laoxiang* (people from the same place of origin) to Shen Zhen. Two years on, Ying still could not forgive her husband for leaving her alone when she gave birth to their child. While Xiao Lin and his siblings had all come out to *Dagong* (sell labour power to a boss), his fifty-year-old father had



returned home to run a small business. He bought a vehicle to deliver vegetables from town and retail them in their village. He also planted vegetables for himself as a supplementary supply. By then, the family economy was much better. By living in a very frugal way, his parents could save 500 yuan per month and help raise their grandson. Xiao Lin had stayed in Militant village since arriving in Shen Zhen.

### **Xiao Lin's Pride**

Xiao Lin had first worked as a temporary worker in a small toy factory with eighty workers for three months. By working thirteen to fourteen hours a day, seven days a week, he earned 800 yuan per month. However, after the peak season, he was dismissed without any compensation. Then he found a job in a small plastics factory with only twenty-six workers where he was paid twenty yuan per day. As the pay was too low, he resigned. However, the mainland Chinese boss did not approve his resignation 'application' by keeping his salary. He was forced to stay on. Before long, the boss planned to relocate his factory to an outer industrial zone with lower rent. After a trip to the new site, Xiao Lin and his workmates found that the new factory, which was near the airport, was horribly noisy. As sleeping quality would affect their daytime performance, they refused to move, and filed a collective complaint with the district LSSB, and finally forced their boss to settle the wage arrears in full.

Xiao Lin was very enthusiastic to share this experience with me. In recalling the story, he specially pinpointed the role of one of his female workmates. One day, the young woman, from Guang Xi, was weeping in the dormitory after a severe reprimand from the boss for her repeated requests to resign. Xiao Lin and two young

men from Guang Xi and Hu Nan were motivated by the young woman and joined her to discuss the possibility of regaining their salaries. Complaining to the LSSB might be a good strategy. But none of them knew how to write a letter of complaint. The young woman from Guang Xi then asked her friend working in another factory to send her a sample letter. In the first round, thirteen workers in the factory signed the letter. Six of them, including the four letter drafters, submitted the letter to the LSSB the following day. Officials in the LSSB issued them a notice and asked them to hand it to the factory. At night, the wife of the boss came to the dormitory to inform them that their boss would negotiate with them the next morning at 9.00 a.m. A preparatory meeting was initially held among the thirteen signatories. Disputes then arose. Most of them were excited and believed that their boss had given in and so it was a good chance to negotiate with him. Three female workers, however, were scared of retaliation from the boss' family and wanted to give up the attempt. The Guang Xi worker insisted that negotiation should be held in the LSSB rather than the factory: 'What bullshit the negotiation is! Whenever [we] resigned from him, he said OK. I have resigned many times, but still not successfully. Let's go directly to the labour bureau. Don't delay anymore, the factory will move very soon, next week.' 'She also encouraged us, "It is still worth a try, [even if we are] pottery pots crashing with an iron pot",' Xiao Lin recalled.

The young woman's determination once more impressed her workmates. Workers compromised saying that they would only wait for the boss until 8.30 a.m., rather than 9.00 a.m. From this critical moment onward, a sense of justice and confidence drove Xiao Lin to act as one of the negotiators with the boss. He

encouraged himself: 'The factory must be a "black factory" without legal registration, otherwise the boss would not be so scared. We, the stirrers outside (*Zai Waimian Hunde*), must get back our money. There is no point in letting him keep it!' Indeed, by this time, Xiao Lin had developed a connection with some 'big brothers' from his home province, although he himself declared that he had never formally joined the gang.

The next day, workers left their dormitory on time at 8.30 a.m., and arrived at the LSSB at 9.50 a.m. As officials would not allow all thirteen workers to enter the office, workers then chose Xiao Lin and a young man from Guang Xi to be their representatives. A written agreement was then signed between the representatives and the boss, and stamped by the LSSB for verification: 'As XX factory will move to YY town, workers who are willing to move to the new factory will be properly settled; others will be paid their wages.' Xiao Lin and his mates were incredibly thrilled. To celebrate their victory, they did not go back to work on the third day and spent time together. Without any money in their pockets, the only entertainment for the youngsters was wandering in the street and climbing a hill in a park.

On the fourth day, the boss called the two representatives into his office and told them that according to the rules of the factory, absence from work would lead to the deduction of three days' wages. As the thirteen had been absent for three days, nine days' wages would be deducted. 'I told him', Xiao Lin said: "If you do so and only give us back twenty yuan, we will use the twenty yuan to take a bus to the labour bureau." The boss was mad at me: "Fxxk!" I turned my eyes to a fruit knife on the table. If he humiliated me again, I would fight with him. But I thought he

should be scared of me. “Insult me again?” I said. He replied: “Who has insulted you?””

The boss had not paid workers the wages until the day before the factory was moved. A supervisor called in the workers one by one to collect the wages, and left Xiao Lin to the end. He was annoyed to find that the supervisor deliberately put the three days’ absence on his time card and intended to deduct the claimed nine days’ wages only from him. Obviously it was revenge for his row with the boss. Workmates calmed him down and persuaded him to talk with the supervisor peacefully. He made a gesture that he was ready to fight with the supervisor who then gave him the full wage.

During the days we lived together, the incident was repeatedly mentioned in detail. You could see the smile on his face and the pride in his eyes when Xiao Lin was talking. After leaving the factory, Xiao Lin joined the Sun factory in July 2003. So far, he had never considered moving out of Militant village where he enjoyed cheap rent, food, entertainment and numerous *Laoxiang* and peers until August 2006. On our walk to a shopping mall five minutes from home, he would stop to talk with four or five mates. Before he moved to stay with me, Xiao Lin and his wife, Xiao Ying, lived in a building in which almost all of the thirty rooms had been occupied by people from his original village and surroundings.

### **Xiao Ying’s Dream**

When their son was two years old, like many married women in the country, Xiao Ying left the parents-in-law to take care of the child and went to join Xiao Lin in Militant village in 2005. She found a job in a Taiwanese electronics factory just next



to the Sun factory. Unlike the Sun factory, which preferred males for heavy work, Xiao Ying's factory was a more typical electronics factory, where ninety per cent of the workers were young women.

She earned as much as 1,700-1,800 yuan per month. The income was quite satisfactory, as she could save some money to support her parents' family. Yet, she complained at the exhaustion and drudgery of working in the factory. Also, as workers had to touch toxic chemicals in some of the work procedures, the couple were very worried that it would be harmful to her health in the long term. Xiao Ying quit her job in April 2006 and took over a small corner shop from a local businessman with a transfer fee of 2,000 yuan. The rent of the shop together with an attic to be used as the couple's bedroom cost 500 yuan per month.

It was around the time I moved into Militant village when the couple took over their shop. The decision of Xiao Lin to stay with me was not only because their attic was too small to settle me in, it was also because a younger brother of Xiao Ying who was involved in the gang as a 'little brother' also lived together with them. Xiao Lin was worried that I would be a target for robbery or something similar.

There were more than ten corner shops in the settlement area I lived in. None of the shops had any registration or permission from the local government, so the shopkeepers did not pay any fees or tax to the government. Although selling items such as wine, soft drinks, cigarettes and cooking sauces could earn a little profit, the main income of the shops indeed came from the service fees for *Majiang*, a traditional Chinese game with four players for entertainment or gambling. Players had to pay twenty yuan for each *Majiang* table.

From the first week, Xiao Ying found that the profit was higher than her expectation. The service fee from *Majiang* tables was as high as 100 yuan each day. 'People usually get only 100 yuan or a little bit more and would lose out [of money] very soon. Then others will come to gamble again. It is quite easy to earn their money,' Xiao Ying told me with contentment. Xiao Lin explained the initial 'success' of their business was through his good interpersonal relations in the village. Benefiting from his long time in the community, he was familiar with many *Laoxiang*, workmates and neighbours. Their shop became a meeting point for a network of his *Laoxiang* and friends.

As time went on, however, the couple found two main difficulties, which finally forced them to close the shop in August 2006. On the tenth day after their taking over the shop, some gangsters came to ask who was running the shop and hinted that a 'protection fee' was necessary. They were followed by another group a couple of days later. Xiao Lin sought protection from one of his influential (*You Shili*) *Laoxiang* in the community. Xiao Lin had to treat his *Laoxiang* with dinners or gifts from time to time to keep a rapport. According to him:

Those stirrers (*Chulai Hun De Ren*) will see you as a good man and help you if you have dun (*Wan De Hao*) and have meals with them from time to time. They don't need to eat so expensively, food they eat back home is quite enough. Then when you have a need, you give them a ring and they will ask people to come over. They are also well acquainted with 'big brothers' from other provinces, for example Si Chuan. If people from Si Chuan make trouble

for you and you seek his help, he can tell the ‘big brother’ from Si Chuan that this person is one of us (*Ziji Ren*), please don’t bother him. Or if you don’t like one person (*Kan Yigeren Bushunyan*), he can ask those Si Chuan guys to ‘do business’ – extort him. If you don’t buy him meals, no way, he won’t help you at all.

Xiao Lin informed his *Laoxiang* about the gangsters coming. The *Laoxiang* asked the original background of the groups who came to their shop, but Xiao Lin could not give an exact answer. Nevertheless, the shop was robbed twice the next week. One Monday morning, the burglars rushed into the shop, held up one of their relatives, who was keeping an eye on the shop, and took away 500 yuan in cash. Xiao Lin then went to stay overnight with Ying in the shop for security. Yet on the Wednesday night, thieves cut the iron guard on the window, raided the shop and stole almost all of the couple’s valuable personal belongings.

It was obviously a reaction to the couple ignoring the gangsters’ request for the protection fee. Xiao Lin did not give up. He immediately asked his ‘influential’ *Laoxiang* to sit in the shop from time to time. After the appearance of this *Laoxiang*, it seemed that the gangsters did not come again. However, another trouble arose.

The *Laoxiang* belonged to the Gui Zhou gang who smuggled drugs (*Baifen*) in the village. His duty was to recruit ‘little brothers’ (*Xiaodi*) or followers (*Mazai*) to distribute drugs for them. He had repeatedly invited Xiao Lin to join his gang and promised to pay him 2,400 yuan per month. Xiao Lin knew that involvement with drugs was a serious crime, so his strategy was to keep a certain distance from this

kind of activity while maintaining a personal rapport with the *Laoxiang*. Xiao Ying's younger brother was sacked after he repeatedly fought with other workers and stayed with her in the shop. He seemed to be vulnerable to the temptation of a high paid and easy going job.' A very heavy penalty, including death, was applied to drug smugglers in the country. To avoid trouble, they closed the shop in August. As Xiao Ying did not want to work in a factory anymore, she returned to home. Xiao Lin also moved out from the community with frustration.

The gangster network, which was very influential in the village, had a dual effect on migrant workers' lives. Benefiting from an active gangster network from his original county and their social relations with the 'influential' people in the gang, Xiao Lin and Xiao Ying gained protection. But their decision to close their shop, which had been a dream fulfilled for the young couple to sustain their life in the city, was also the result of harassment from the gang and its criminal nature. Xiao Ying's dream was shattered, but Xiao Lin's continued, he said that he would not go back home unless there was 'no way to go' (*Beipo Wulu*) in the city. Xiao Lin, Xiao Ying and their young brother also resigned from the factory, it was not because their wages were too low for themselves and their family to survive, at least in the short term, but because of the boredom, alienation and inhumanity of factory work. As Xiao Lin often confided to me, they did not expect to earn much money by running a small corner shop. To run a shop was to regain freedom and humanity by regaining control over their working bodies and labour process. The history of capitalism is also a history of resistance to capitalism (Holloway, 2002). To what extent can Chinese new workers break away from the process of proletarianization? We can



gain hints from this family. The younger brother's turn to violence, gang allegiance and crime in rebellion against factory life was no different from other industrialized societies, especially immigrant countries like the US (Padilla, 1992). Xiao Ying's return to her parents-in-law and son suggested the uniqueness of Chinese industrialization which separated the reproduction and production of labour power (Pun and Ren, forthcoming). However, when I visited Xiao Lin in January 2008, Xiao Ying had come back to work in the same electronics factory and Xiao Lin had moved back to Militant village. Xiao Lin was very determined to live in a city and he was lucky to get a job in a labour NGO, which was very exceptional.

### **Locality, Gangsters, and the Informal Economy**

As Ostercher's (1986) study of US workers suggested, in an immigrant society workers are highly divided on the bases of age, skill, and original-place. Most significantly, original-place-based gang networks played a pivotal role in the labour market and community life in the early twentieth century in the US (e.g. Thrasher, 1927; Padilla, 1992). In the context of China, Perry (1993: 245), in her seminal study of strikes in 1920s Shanghai, indicated a similar phenomenon: 'Denied the security or status of the skilled worker, such individuals often resorted to gang networks in search of protection. Gangs helped rural immigrants make the difficult transition to urban life.' The resemblance of China to the US in the early stage of industrialization is a result of similar recruitment patterns that relied on migrant workers (Perry, 1993). In contemporary China, Xiao Lin and Xiao Ying's story reminds us that gangsters continue to play a significant role in workers' social and working life. Militant village was one of the active gangster communities in Shen

Zhen. The comparatively cheap rent in the village was at least partially due to its notoriety for criminals and disastrous social order. Newspaper research showed that there were at least ten cases of homicide alone from 1993 to 1995 in the village.

### **Robbery and the Gui Zhou Gang**

Local newspapers reported that a network of unemployed workers from a village in BJ, a county of Gui Zhou, depended on robbery for living:

People are robbed almost every day... They [the criminals from BJ county, Gui Zhou] will not think about what they will do tomorrow... just simply rob as soon as they run out of money... After they get a mobile, they will sell it for several hundred yuan, and then go to a cinema or an internet bar for entertainment, until the money runs out again.

*(Southern Metropolitan Daily, 16 November 2005)*

Yet my experience suggested that such criminal activities were not unorganized and unplanned. I was robbed by a group of gangsters. Four teenagers pushed me into a construction site when I was walking in the street late at night. All my possessions were taken: glasses, money and mobile phone handset. I noticed that a taxi was just standing by us when the teenagers searched my body. As soon as they took away my things, they asked me to turn around and then got in the taxi.

Why did gang activities thrive so well in this community? An informant from BJ who had committed robbery himself explained it to me in this way:

Many big factories are clustered in this community. The wages in these factories are comparatively high. Workers usually introduce *Laoxiang* to work in the village. However, after their *Laoxiang* came, it was not guaranteed that they would get a job. Those who are unable to get a job have no place to live. As soon as their money is spent and some gangsters contact them, it is very natural for them to join their activities. Of course, you can also look for jobs in small factories, of which there are quite a lot in the surrounding area. But working conditions there [small factories] are more pitiful and wages are much lower. Generally speaking, those who come out [from a home village] the first time are more obedient. They do not easily join [the gang]. But those who have been out for long time and are more rebellious themselves are more likely to join.

He also defended his past experience of committing robbery:

You have never experienced having no money and being hungry. If you had had that experience, you would understand. For three consecutive days, we [three *Laoxiang*] could only eat watermelons stolen from the farm land. It is impossible for anyone to be very full but I had nothing else to eat.

He stopped robbery after being arrested by the police and subjected to torture in the prison. Afterwards, he worked in several factories. The Sun factory was the last one in which he had worked. After he left the Sun, he vowed not to join a

factory anymore. 'It is too hard and boring to work in a factory', he said. He was involved in deceptive activities for several months. Through the gangster network of his *Laoxiang*, he bought TV sets or mobile phone handsets from burglars or robbers cheaply and sold them at a high price: 'I could buy a TV set for 350 yuan and sell it for 500 yuan while the market price is 800. I lied to the buyers that it was acquired through my *Laoxiang*'s *Guanxi* (connections) in the factory.'

He introduced me to one of his *Laoxiang* from BJ, who had also worked in the Sun factory for several years and had joined a small electronics factory run by a local mainland owner in 2005. The salary in the small factory was only 700 to 800 yuan. But his main income was said to be from robberies and extortion of his 'littler brothers' at night.

The number of residents, in general, and gangsters, in particular, from Gui Zhou has declined in recent years due to the government's campaign against the Gui Zhou gang's drug smuggling and robbery. It paved the way for the hegemony of the Si Chuan clique in the village.

### **Protection Fees and the Sichuan Gang**

While the Gui Zhou gang was notorious for robbery and drug smuggling, its Si Chuan counterpart was well known for collecting protection fees from businesses and individuals. Xiao Ying's shop was supposed to be threatened by the Si Chuan gang, and many Guang Dong-born businessmen also complained that they were requested by the Si Chuan gang to pay protection fees before the formation of their own protection network.



I recognized many shopkeepers who originally came from my home county by their way of speaking Mandarin, and began to talk with them in our dialect. The first thing they reminded me about was to be careful of ‘outside provincial’ gangsters (gangsters from other provinces), especially the Si Chuan gang.

*Laoxiang:* You are not working here, then why do you come to live here? It is a very dangerous place, you know, it is an ‘outside provincials’ nest’, they are very rude. But fortunately, we also have many people here. Some years ago, some ‘little outside provincials’ attempted to extort money from us, it was almost impossible to do business here. In several cases, they were beaten by us without leniency, only by doing so they dared not to bully us again. You know, we, the LF [county] people, are not to be bullied.

Author: How did they extort money from you?

*Laoxiang:* By collecting protection fees.

Author: How much did they want?

*Laoxiang:* It was uncertain, from hundreds to thousands of yuan. If one group successfully got it, another group would come too. It was impossible to do business if we did not fight back. Now if one of our XX people has an incident, others will come in a minute [to help]. No one dares to bully us now.

*Author:* Which is the most powerful group of outside provincials?

*Laoxiang:* Those from Si Chuan. They have most people, and are also most violent.

During the period I lived in the village, at least one 'big brother' from Si Chuan was killed in the street by a group of gangsters supposedly from another community. Workers told me that he was responsible for providing protection to a skating rink and nearby businesses. After his death, a temporary shrine was set up beside the skating rink to make his 'little brothers' show tribute.

The prevalence of the Si Chuan faction was accounted for by workers for three reasons. First, the largest number of migrants in the village and probably in the city was from Si Chuan province and Chong Qing municipality.<sup>43</sup> Second, they were more united. A worker from Hu Nan told me that he preferred to have friends from Si Chuan. 'Si Chuan guys are doing well (*Hun De Hao*) because they are more united. We need to learn from them', he said. Third, they came out to *Dagong* earliest. The outflow of the first generation of Si Chuan workers can be traced back to as early as the middle 1980s. Some of them gained technical or managerial skills in the earlier period and had now been promoted to higher positions in the factories.

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<sup>43</sup> Si Chuan had supplied most migrant workers to the coastal provinces before Chong Qing was made administratively independent from the province in 1997. The position as the largest migrant supplier was then surpassed by He Nan province. However, as already noted, historical, geographical and cultural approximation made workers from Si Chuan and Chong Qing still identify themselves as *Laoxiang*.

Like BJ in Gui Zhou province, migrants originally from the city of NY in Si Chuan were among the extremely united, violent, and militant groups. One informant from NY told me that:

Our city had been an industrial one. From when I was in secondary school [middle 1990s], factories began to close down, and lots of workers lost their jobs. The society was polarized. The corrupt officials became more and more affluent, while the poor people got poorer. And then, the social order became terrible around 2000. There were very acute gangster activities. In our town, the head of the police station unashamedly stated that he had connections with both the 'black' and 'white' sides. He had no alternative, he said, he had to protect his family. His son at primary school was serviced by a body guard. The clique of shoulder pole (*Biandan*) bearers, which was active in the city of Chong Qing just originated from our city... Today, the economy of our city is flourishing, the rich officials have huge purchasing power, and the outgoing peasant workers send back billions of yuan every year to our local economy as well.

### **Small Business and the 'Local' Gang**

Because of its small population and social segregation, occasions for migrant workers to meet with original local residents in the community were rare. According to a locally-born university student, it was very rare for them to talk with migrant workers, as they were taught by their parents from childhood not to contact the

strangers, because 'outside is unrest'. Most of the locals worked in local state institutions or relied solely on rental income for a living, although the distribution of interests was uneven. For instance, the director of the community government was said to have rental income of millions of yuan per year. He owned most of the street shop properties in the village. Many other locals, with a limited rental income, were employed by the police to keep up-to-date records of temporary residents in the community.

However, in workers' dialogue, the rhetoric of 'locals' (*Bendi Ren*) referred to more than the indigenous people who lived on the land before urbanization, it also included the new migrants from other parts of Guang Dong province. The 'locals' run businesses, from small stalls in the street to huge modern shopping arcades. Workers kept a certain distance from this group of people as they were ferocious. One informant told me that the 300 'brothers' were mobilized by a 'local big brother', who controlled the collection of industrial waste in the village, against another original-place group to take over their business. Further investigation showed that the 'locals' in this group were in fact intra-provincial migrants from eastern Guang Dong, especially people from LF county.

As Honig (1993) revealed, a tradition that migrants from one native place occupied jobs in the same occupation seems to continue in contemporary China. Although a few of the petty businessmen had worked in factories for a period of time, as a custom, people from LF, who also have a character of militancy, always preferred to operate in small-scale businesses, informal economics or even smuggling rather than be factory workers. Many of the storekeepers or street



hawkers from LF in the village had rented farming land for years from local villagers to plant vegetables. After the estate development project was initiated on the farming land, they stayed on in the community to make small-scale businesses or bought a small piece of land from the local government or villagers to build houses for letting. The flourishing economy of the community continued to attract people from their towns or villages to join in their business:

A hawker from LF county asked me:

‘Are you *Dagong* or do you run a business?’

‘*Dagong*.’

‘*Dagong* [with surprise]? How come you don’t do business? It is not difficult to earn a living here. Almost all of us people doing business here are from LF.’

The hawker sounded quite satisfied with the situation in the village. He operated a mobile fruit stall in front of a big shopping mall which was also run by someone from LF. His daughter, aged twelve, stood on the side to assist him.

### **Structure and Relations in a Gang**

Besides the presence of Gui Zhou, Si Chuan and ‘local’ networks, other provincials, such as from Hu Bei, Hu Nan, and He Nan also formed their own cliques. The structures of those cliques were homogenous, although their main income sources and activities were heterogeneous.

Normally a gang involved a ‘biggest brother’ (*Laoda*) or boss, who had a decent status and source of income in the village. He was the bridge between those

under his umbrella and the outside world. The Si Chuan boss ran a fresh market; the Gui Zhou boss did smuggling; the 'local' boss was a very rich man who owned many houses and controlled the industrial waste business; the Hu Bei boss worked in a police station; the He Nan boss was the security guard chief in one of the biggest factories in the village.

The 'biggest brother' had a number of brothers in strict hierarchy ranking. The higher the position, the more power and respect he enjoyed. The distribution of the ranking position was according to their 'face' (*Mianzi*), status and social relations in the society. The brothers declared loyalty to each other in a ritual. It was very hard for members to withdraw from the group. One of the workers who had quit from a gang told me that he had to join the army in order to convince his brothers to allow him to quit.

Each brother had a certain number of 'little brothers' (*Xiaodi*) or followers (*Mazai*). The relation between 'big brothers' and their followers was not as strict and rigid as between the 'big brothers'. 'Big brothers' with a high ranking position were normally men from the same original-place, but 'little brothers' were not restricted to gender and original-places, although males from the same original-place were dominant in the groups. 'Little brothers' were sometimes unemployed and their lives depended on the 'big brothers'. Even in the morning, when daily shift workers were working hard in factories and night shift workers sleeping, many teenagers wandered the street or played snooker in the corner shops. Among them, young men are more apparent than young women. An informant told me:

These 'little brothers' have free dinners in specific restaurants which were paid for by their 'big brothers' on a monthly basis. As soon as their 'big brother' calls, they should show up immediately to [do something like] fight with another group or kidnap somebody. If they run out of money, boys go to rob and girls are persuaded to be prostitutes. The 'harvest' is confiscated and redistributed. Say a group got several hundred thousand yuan in a kidnapping, each 'little brother' who participated would only get a few thousand yuan, and their 'big brothers' kept the remainder. The 'big brothers' normally do not show up except for very big deals. But if a 'little brother' is arrested [by police], his 'big brother' will bail him out; if a 'little brother' is in conflict with another, their 'big brother' will also call other 'little brothers' to help.

There was more than one group of gangsters from each province. Si Chuan, for instance, had at least three well-known 'bosses' in the village, each of whom led a clique. Most of the workers were not formal members of the gang but, like Xiao Lin, many were attached to one 'big brother' or another to gain protection through friendship. Friendship was maintained both materially and culturally. Treating one to a dinner and relaxing together was a very common way to give expression to the relationship.

## **Workers' Social Life: *Laoxiang* Network and Peer Group**

### **The Original-place Network**

The clustering of social life around the network of *Laoxiang* was obvious. Xiao Lin and his mates from Gui Zhou, for example, gathered together at the home of one of

their *Laoxiang* to cook some good food almost every weekend. ‘It is “*Jiacai*” [home cooking]<sup>44</sup>. When we were at home, we ate four meals per day, as farming work is very hard. There during weekdays we ate very casually. It was a good chance for us to relax and share our home dialect’, Xiao Lin elaborated. According to my own observation in the corner shop of Xiao Ying, most *Majiang* players were male workers, in their late twenties to early thirties, who knew the couple well. Some women came but usually as observers to support their husbands or just for a chat with Xiao Ying. Workers sometimes came in groups, sometimes as individuals to find suitable game partners. People of Gui Zhou origin were dominant, while there were also peer groups made up of colleagues from the same factory and friends who knew each other through social occasions.

Language, food preference and living habits of each province or intra-provincial region accounted for why workers lived in an original-place cluster. Not every worker can speak standard Mandarin very well, even though they had stayed in Shen Zhen for years. When *Laoxiang* spoke their own dialects with each other, they described others in specific terms, which reflected a sense of exclusion. People from LF county labelled all of those from other provinces as *Waisheng Zai* (little outside-provincials). When workers from one province talked with each other, they described workers from other provinces as *Waisheng Ren* (outside-provincials) and Guang Dong people as *Bendi Ren* (locals). The Hu Nan people played a special poker game which was not understood by people from other provinces. In He Nan, the host should give a guest a full cup of tea to show hospitality, while in Gui Zhou,

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<sup>44</sup> *Jiacai* was a common event in Mao’s era when commune members of a production team came together to celebrate or relax after a period of hard work or at festivals.



if the teacup is full it is a sign of driving guests off. All of these appeared as barriers to inter-provincial connections among workers.

However, original-place was not the only base within many intra-provincial groups. Age, gender and position in production which reflected workers' experience and skill were also essential factors in social life. When men had collective dinners together, usually they would not take their wives or girlfriends. The men in their early thirties found it hard to develop a rapport (in workers' own language, have fun or Wan De Hao) with a worker of eighteen or over forty years old although they knew each other. The above mentioned group of Gui Zhou workers who had regular dinners together was actually a network of current or previous male workmates in one department of the Sun factory and their previous schoolmates.

### **Cross-provincial Peer Groups**

Moreover, not all of the workers limited their social life to the circle of their original-place. There were lots of peer groups or networks among workers in which the original-place was not a factor to influence its formation. The group was formed on the basis of age, gender, position in production, economic status and consumption practice. Two such groups will be used as examples for comparison and discussion.

The first group was of four young male workers from the age of nineteen to twenty-one, from Chong Qing, Hu Bei, Jiang Xi, and Hu Nan. They worked in different factories, namely packing, plastics and metal. Their salaries were about 800 to 900 yuan. They met each other in hospital where all of them had been treated for industrial injuries. They all missed very much their life in Militant village and complained of the boredom in the town centre where the hospital was located. They

were allowed to go out from the hospital. The main reason for their boredom was that the consumption and lifestyle in the central area was unaffordable for them. After they were discharged from the hospital, they spent time together in the village. They went to the skating rink, internet bar, and cinema together at night. The prices were cheap at one yuan for a karaoke song, two yuan for surfing the internet or skating on a cement surface for hours and three yuan for a movie. All of these entertainments were very tempting for the rural-born teenagers.

The second group was of three male skilled workers from the Sun factory: a repair technician in the Metal Department, thirty-three, from Si Chuan earning 1,500 to 1,600 yuan monthly income; a truck driver, thirty-one, from Guang Dong with a 3,000 yuan income; a fork-lift truck driver in the warehouse, twenty-five, from Hu Nan on a 1,800 yuan income. With a certain level of skill, all of their incomes were higher than the ordinary workers. They ate out in restaurants, rather than at small food stalls, and spent their leisure time in the hair salon, massage shop, skating rink and disco. Both drivers rented a single room from private landlords, while the technician lived in a factory dormitory but stayed overnight with one of them very frequently. After a night out with the three, Xiao Liu, the forklift truck driver, invited me to stay in his flat and chatted with me overnight. I was curious about their process of making friends. Xiao Liu told me:

Over a period of time, we often saw each other at the skating rink. Then we began to say hello one night, and arranged to wait for each other the next night at the factory entrance before going skating together. When we were skating

the next night, we met a group of seven to eight [persons]. One of them stared at us. We asked him what he was looking at. They responded by asking us to fight outside. I called my friends to support us. When they arrived by motor bike, the group ran away immediately. One of them from Guang Xi was grabbed by our group and brutally beaten. On the third day, we went there together again, but with more friends. I crashed into a girl and then picked her up. But her boyfriend insisted that I should make an apology. I did not agree. Then we battled. We had more people than them. They called others for help. But after the men came, I found that I knew some of them. As [they] were 'our people' (*Ziji Ren*), we did not fight any more. From then onward, the local boss of the skating rink knew us well, and we did not pay the entrance fees again.

Not only did they not pay for themselves, they also used different excuses to enable me to enter the rink for free. As Cockburn (1983: 138) pointed out: 'Male solidarity is not only a way of excluding women, it is a way of assuring a more secure presence within the dangerous world of other men.' The three peers shared a common catchphrase: 'We never mind other people's business, but if other people make trouble for us, we should not be afraid, we must fight back "with colours".'

### **Gender, Sexuality, and Masculinity**

Male workers were more represented than female workers in most of the entertainment sites, from internet bar, cinema, snooker hall, restaurant, skating rink, dance hall, *Majiang* shop, to the hair salon and massage shop. Women workers, on the other hand, spent their time in unpaid or lower cost activities as well as in their

private space. Going shopping in the street or shopping mall was a typical way for women to kill their leisure time. Department stores installed big screen TVs in the windows to attract customers. Sometimes, usually at weekends, they also sponsored a show or singing competition. From time to time, the circus came to give a performance in the plaza outside the shopping mall. All of these free functions amused hundreds of workers, especially the young women who stood hand in hand and laughed together. In rural villages or small towns in China, it is only at Chinese New Year or other traditional festivals that people can enjoy such amazing performances.

Beside the overt entertainment, sexual life was very casual in the village. From the male workers, I heard many stories of having more than one girlfriend or extra-marital affairs. Even when I visited the subsidiary plant in Hui Zhou, one young woman worker told me that she knew that workers in their old factory (Shen Zhen plants), both men and women, were very open. She said that it was some veteran women workers from the old factory who told her about that.

Men and women engaged in casual relations to cope with the boring life of routine and hard work as well as the separation from their family. I rode in a factory truck to Hui Zhou with a male machine technician and a female ordinary worker. Both were in their mid-thirties. It was the first time they had met each other, but sexual talk was heard for the whole journey. After the lady left, the male shared with me with his flirting experiences with pride: 'Trying to talk sexual topics with a woman, if she responded to you, then you should have a chance. If she does not want to talk, there is no way.' The private leasing rooms provided a space for the



men and women to escape the rigid control over private lives in the factory-provided dormitory. In the Sun factory, male workers lived in the dormitories of the new plant, while women slept in the old plant. Visits were strictly forbidden between the dormitory buildings, not to mention sexual activity in the dormitories.

Pollert's (1981) study in a British tobacco factory found women could take advantage of looser disciplinary control by flirting. Yet, my observation in Militant village showed that this game brought more troubles and burdens to women than men. I witnessed many cases of men flirting with women in a manner of sexual harassment, of which the male was always proud. While men's engagement in casual relations was basically for pleasure, women were sometimes economically pushed. One male worker told me a story: A young woman who lost her job came to him in a 'black' (unregistered) internet bar, and asked him to help top up her internet card. He then topped up fifty yuan for her. As a reward, the girl stayed overnight with him. One night, a girl dancing in a disco gave a paper bird to one of my friends who took me to the disco and danced next to her. They began to chat. The girl said that she had a boyfriend, but he was unemployed. My friend interpreted the girl's action as searching for one more boyfriend with the economic ability to buy her food and pay for other basic expenses. It was very common for the men to refuse to use a condom. A worker said this: 'Girlfriends are my private cars, but not [public] buses, only I can get on. So I don't need to use [a condom].' The result is many cases of abortion in private clinics, as well as sexual diseases. A woman who contracted a 'woman's disease' paid more than 100 yuan per day for a six-day treatment. During the treatment period, she still worked as long as twelve hours per day, in order to

earn money to support her two unemployed younger brothers in Shen Zhen at that time.

The difference between the male and female workers' social life was due to the cultural construction of gender roles of men and women in the family, industry and society.

First of all, women and men's different consumption power was determined largely, if not totally, by the gender division of labour in industry. The skilled and managerial positions were all dominated by men.

Second, the gang, whose activities had a great influence on the workers' social life in the community, was highly patriarchal. No woman could become a 'big brother' in the hierarchy. While the male workers who did not want to work in a factory committed robbery to pay for sex with the money obtained, women in the same situation were forced to rent their bodies.

Third, the consumption pattern itself was male-centred. The massage shop, hair salon, and some other underground locations provided sexual services for males at a price affordable to skilled workers.

Fourth, the commercial interests came to terms with and reinforced the masculine culture of objectivising the women. To promote their business, some private hospitals or clinics distributed complimentary magazines for workers which advertised their services and published male-centred pornographic articles and pictures.

Fifth, the division of labour within the family created more space for the male in casual relations. According to one worker, his wife, who had worked in Shen

Zhen for ten years, but went back home to raise the children, advised him, in a joking way, that if he had affairs with women, to choose married women, rather than those young unmarried women who would ruin their marriage.

The subordination of women in workers' social lives and the subordination of women in the workplace reinforced each other through the construction of an industrial masculinity. The other side of the pride, militancy and violence of male skilled and supervisory workers in Militant village was the obsession, timidity and quiescence of ordinary female workers. As we will see, masculinity, working along with the original-place politics, exerted dual effects on labour relations in the Sun factory. On the one hand, it helped pacify the discontent of a large number of ordinary workers; on the other hand, it created a culture of militancy and solidarity against the management in the interest of general workers at critical moments.

## **Politics of Gender and Place in the Labour Process**

### **Taiwanese Management Team**

The GM of Sun was the factory's fifty-year-old founder who held forty-nine per cent of the shares after selling fifty-one per cent to United Ltd. He spent two or three days in the factory per week, leaving four Deputy GMs to manage the regular operation of the factory. Below the Deputy GMs, there were a number of Assistant GMs who oversaw two production or administration departments. And then a department manager was responsible for the administration of each individual department. All of the managers, from GM to department managers, were from Taiwan, until four mainland Chinese department superintendents were promoted to Assistant GM in 2005.

The GM and his family lived in a luxury house in the central district of Shen Zhen. All of the other more than forty Taiwanese managers lived in purpose-built apartments within the new factory estate with a canteen specially servicing them. Local employed managers, even though they were in the same position as the Taiwanese, were not entitled to live in the apartments. The Taiwanese were socially exclusive towards the local community. The apartments were actually *en suite* and designed for professional singles, as only a few managers brought their families from Taiwan. During weekdays, they would stay within the factory to work; at the weekend, they might take their company cars to the city centre for shopping or entertainment.

### **The World of Local Supervisors**

The factory director was a Guang Dong local who was responsible for dealing with the local government departments and had little role in production. Each department manager had a corresponding department superintendent under him. The division of labour between the manager and superintendent in a department was that the former was responsible for administration and co-ordination with the top management team, and the latter for internal production operation and communications. Department superintendents were assisted by a couple of vice-superintendents or commissioners when the post holders were not experienced enough to be vice-superintendents. Under the department supervision team were the workshop supervisor and line supervisor heading a workshop or production line.

The factory, with its two plants, consisted of five administrative departments: Personnel; Finance; Production Control; Quality Control; and Production Planning;



and nine production departments: Lacquering, Casting, Painting, Aluminium Processing; Metal; Plastics; Processing; Assembling; and Warehouse. The supervisors and superintendents in production departments had all been promoted from the rank and file workers, while the professional positions in administration departments were mainly people with university or college qualifications.

As the top management members, who were all from Taiwan, did not well understand the local context, while all of the superintendents and supervisors were local insiders, shop floor management and the production process primarily relied on the front-line team. Some supervisors were from Taiwan when the factory was first established, but they were replaced by locals after their retirement. The turnover rate of Taiwanese managers was high as they could not adapt well to the local context and sometimes claimed to be manipulated by the local superintendents. In early 2005, around half a year after the outbreak of the strike, the Taiwanese management sent a department superintendent with industrial experience in Taiwan to work along with the local superintendent from Hubei in the metal department. He, however, quit after just a few months. 'As he did not understand the situation below, it did not work at all,' a skilled worker in the department said.

The local supervisory staff were highly gender and original-place biased. Males occupied almost all of the posts and half of the department superintendents were from Hu Bei province. The Hubei originals had a good reputation for their wisdom and sophistication in management. Coincidentally, workers all quoted a traditional saying 'the sky has nine-headed birds, and the earth has Hu Bei guys (Hu Bei *Lao*)', to answer my curiosity about the disproportionate employment of Hu Bei

provincials in supervisory or managerial positions in the Sun factory and other factories in Shen Zhen. As the department superintendents tended to promote their *Laoxiang* as workshop supervisors, most of the shop supervisors were from Hu Bei as well.

However, as the number of Si Chuan workers overwhelmed other provinces and Si Chuan people had better interpersonal networks and skills, most of the line supervisors came from this province. 'They like to buy superintendents and supervisors their dinners. It costs 100 yuan or more per meal. Over time, the superintendents would feel indebted to him and give him a post,' a worker from Gui Zhou commented. Among ten line supervisors in the aluminium processing department where he worked, eight were from Si Chuan until 2005 when four of them were replaced.

Among the production departments, the whole metal department was located in the old plant whilst all of the other eight departments had operations in both plants. The size, gender and original-place attributes of different departments are illustrated below, according to workers' interviews and my observation within the factory:

**Table VI: Size, Gender and Original-place Attributes of Different Departments in the Sun Factory.**

Department	Supervisory staffs	Workers
Lacquering	Superintendent: from Hu Bei; male; Supervisors: all male	500; almost all were middle-aged men
Casting	Superintendent: from Hu Bei; male; Supervisors: all male	200; men dominant
Painting	Superintendent: from Jiang Xi; male Supervisors: all male	350; men dominant
Metal	Superintendent: from Hu Bei; male; Supervisors: all male	600; men dominant
Aluminium Processing	Superintendent: from Hu Nan; male; Supervisors: all male	600; more men than women
Assembling	Superintendent (old plant): from Si Chuan; female; Superintendent (new plant): from Hu Nan, male; Supervisors: more male than female	3,000; women dominant
Plastics	Superintendent (old plant): from Hu Bei, male; Superintendent (new plant): from Hu Nan, male; Supervisors: more male than female	500; women dominant
Processing	Superintendent: from Hu Bei; male; Supervisors: all male	300; more women than men
Warehouse	Superintendent: from Hu Bei; male; Supervisors: all male	45; all men except clerical staff
Personnel	Superintendent: from Jiang Xi; male	_____
Finance	Superintendent: from Si Chuan; female	_____
Production Control	Superintendent: from Hu Bei; male	_____
Quality Control	Superintendent: from Si Chuan; male	_____
Production Planning	Superintendent: from Hu Nan; male	_____

The management's strategy to manage and control the workforce was through a division of labour on the basis of gender, age, skill, a punitive and reward piece-rate system and strict disciplinary punishments.

### **Gender Segregation of Skill and Power**

The departments of plastics and assembly, where work was routine and simple, employed predominantly female workers, whilst men outnumbered women in all of the other departments. The preference of the management for men with physical strength was obvious. When Xiao Lin interviewed for a job in the aluminium department, he was asked by the interviewer to show his hands to see if there were calluses (*Jian*) on the palms. If so, it meant that he or she had more menial work experience, and it would be a merit for acceptance. 'You would use a knife to grind metal. We need people with strong fingers', the manager told them. In a recruitment fair in a job agency centre in May 2006, I saw personnel officers repeating the point that they needed people who could work very hard in the Sun factory, especially to the younger and female candidates: 'The pay in this factory was a little bit higher than other factories, but the work was hard, you should consider more before you join the factory.' Their reminder was confirmed by the fact that many young workers quit from the factory very soon, since they could not adapt to the harsh working environment. As a result, workers in the factory were mainly in their late twenties or thirties. In fact, while the advertisements of many electronics factories stated an age requirement of eighteen to twenty-eight for women and eighteen to twenty-five for



men, the Sun factory requested older workers and accepted a wider range of ages, from twenty to thirty-eight for women and twenty to thirty-five for men.

In the peak season, the factory initiated large-scale recruitment promotion, when it could hire as many as 500-600 workers in one round. The only pre-work training was a half-day orientation with a talk on factory discipline and a guided visit to different departments. Workers were distributed to certain departments after the shop floor visit on the basis of gender, age, physical condition and skill levels. The inexperienced workers were more likely to be dismissed during the low season, whilst the factory managed to keep the skilled and experienced workers the whole time. As a result, applications to resign from skilled workers, who could easily get a job in other factories, were often 'not approved' by the management. By contrast, those who desired to keep their jobs were very vulnerable to being sacked.

### **Time-rate and Piece-rate**

Although the labour contract guaranteed a time-rate payment, in reality a combination of piece-rate and time-rate was implemented. The factory set up an output target for each worker. The target was set between the maximum capacity of an experienced and a new worker. For instance, if an experienced worker could make 150 pieces in one day and a newcomer 100, the official output target would be set at about 130. In case one failed to make up 130 pieces, her or his time-rate wage, which was based on the legal minimum salary plus overtime pay, would be reduced. Meanwhile, those whose output level was more than 130 were paid an extra output benefit (*Chaobanfei*). In the aluminium processing department, for example, the most experienced and hardworking workers could get an extra benefit of as much as

300 to 400 yuan per month, while in an extreme case, a new worker could have a wage reduced by over 260 yuan in one month.

This reward and punishment system created two worlds among the rank and file: the stable veterans and the unstable temps. In the period of my fieldwork, a hardworking veteran could earn 1,700 to 1,800 yuan. The income was in fact very close to the line supervisors', whose salary was 500-600 yuan on top of the legal minimum rate plus overtime pay. In the Shen Zhen plants, which were different from the Hui Zhou factory, which I will present in the next chapter, workers had more control over the pace of work. The conveyer belt was not installed even in the assembly department, where workers sit and work at a small desk. After finishing the task, they put the product item into a box on the long table on her/his left hand side. Therefore, there was less peer pressure to work hard indeed, and so some workers chose to work slower than they could to enjoy a more relaxed working life. For the experienced workers, even though they did not work very hard, the income was still attractive enough. But for the inexperienced workers, however, if they were unable to improve their efficiency, they would be either dismissed or quit by themselves.

As an exporter to the US and European markets, quality was always the most essential concern for the management. Customers frequently came to conduct quality audits. A limited number of experienced and senior workers were promoted to be quality controllers (QC). The temptation of a QC job for workers was not the wage or power, but the free and easy work. Skilled workers were paid an extra technical subsidy on top of the basic wage dependent on department and skill level.

Without the extra output benefit, their salaries were not necessarily higher than for an ordinary worker. Their main advantage over the rank and file was to escape from the intensive piece-rate routine work, or in the language of workers, their work is 'lighter' (*Qingsong*). The more powerful skilled workers in the factory were the machine repairers. They were all male workers around twenty-five to thirty-five years old. There were not any female machine repairers even in the departments where most of the ordinary workers were female, such as plastics.

Line supervisors were also promoted from skilled or experienced workers. Although having supervisory responsibility, they did not enjoy much decision-making power and economic advantage. Just like the veteran ordinary workers and the skilled workers, they lived in the factory-provided dormitories, or shared privately let rooms with partners, friends, workmates or *Laoxiang*.

### **Discipline and Punishment**

The disciplinary rules in the factory were strict and based on fines. Common disciplinary issues included dozing off at work, leaving work without an off-duty permit (*Ligangzheng*) and absence from work.

If workers wanted to take leave, they had to submit an application form. The form would be first signed by the supervisor and then sent to the personnel department for final approval. The applications rarely won approval in the peak season. New workers dared not take leave without permission and were forced to stay at work even when they were sick. The veteran workers, however, might be absent from work sometimes even if their application was not approved.

Twenty-seven-year-old Qi, a *Laoxiang*, workmate, and good friend of Xiao Lin, was one of the longest-serving workers in the department of aluminium processing. He had worked in the factory since he first left home in Gui Zhou in 1999. We lived on the same floor, and his wife worked in the same factory with Xiao Ying. The couple shared a small flat of thirty square metres with another couple for a rent of 350 yuan per month. They had left a son at home with their parents, after they tried to bring the son to Shen Zhen in 2005, but financial pressure and inconvenience made them give up. He complained that he should not get married too early, as now he felt great pressure. From his point of view, eighteen to twenty-five is a man's golden age, or the essential period for career development. He said that he wanted to learn some skills to prepare the future, but it was always difficult to compromise with his family and wife. One day, his wife was sick. He wanted to take one day's leave to accompany her to hospital for a health check. As usual, he could not gain approval, but he chose to be absent. The next day, a major warning (*Daguo*) was issued against him, together with a fine of fifty yuan. However, the line supervisor told him: 'This is a lesson for you. The fine will be returned to you. You can get five yuan more extra output benefit each month for ten consecutive months.' According to Qi: 'The supervisors will only respect (*Gei Mianzi* or 'give face to') us veteran workers, as we are very familiar with each other and spend time together often. New workers are very different. Punishment is punishment (*Shuo Fa Jiu Fa*).'



Usually there was only one off-duty permit<sup>45</sup> in each production line. Workers who wanted to be excused to go to the toilet or for other purposes should obtain the permit from the line supervisor before leaving. Being found away from duty without the permit was subject to a minor warning (*Xiaoguo*) and a twenty yuan fine. Dozing off was seen as a more serious mistake and led to a major warning and fifty yuan fine for three levels, which meant the workers involved, her or his line supervisor and workshop supervisor were all subjected to the same punishment.

### **Relations, Recruitment, and Promotion**

As the biggest factory in the village, the Sun factory had a 9,000 strong labour force before the outbreak of a strike in 2004. But the workforce had declined to about 6,000 by the time of the fieldwork as a result of production relocation to the Hui Zhou factory and outsourcing. The factory had recruited workers by posting an advertisement outside the main entrance of the factory until June 2005, when an independent job agency was employed to recruit workers. Under the old system, the power to hire a worker rested with the personnel department with consultation with the relevant department superintendent. As the wage in the factory was comparatively higher than other factories in the surrounding area, competition for jobs was intense. As soon as an advertisement was posted, hundreds would show up. This provided an opportunity for corruption. Although announced as an open recruitment, many workers I interviewed were admitted to the factory by introduction of a *Laoxiang* or friend in the factory, or paying an introduction fee

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<sup>45</sup> It was a common practice in the factories in South China that if a worker wanted to leave the production line for a while, for example to visit the wash room, she or he had to get an off-duty permit from the supervisor. On fast-moving assembly lines, the line supervisor or a spare worker would fill in the position to avoid the disruption of production. To avoid many workers being excused at the same time, usually there was only one permit per production line.

from 400 to 800 yuan to an intermediary. The introduction fee paid by male workers was more than that paid by female workers. The intermediaries were active in the village with good social networks. They might work in the factory or not. In the latter case, they usually had close relations with a department superintendent or personnel officer. But in the peak season, as the factory might hire as many as 500 to 600 workers in the same recruitment drive, those without connections might also have a good chance of being hired without paying an introduction fee. Workers in general were very discontented about the unfairness of the recruitment practice:

When I joined the factory, the introduction fee for women was 400 yuan, and for men 800 to 1,000 yuan. If there was a Taiwanese present at the interview, someone like us (those who had no connections with supervisors) still had a little bit more chance; if it was totally the mainlanders' responsibility, the intermediaries would bring their people in directly and we could only be admitted after them.

A worker in the aluminium processing department

This factory virtually relied on connections. Many workers entered through connections. Workshop or line supervisors might introduce their *Laoxiang* with the permission of the department superintendent. If the department superintendent agreed, the people in personnel would not object.

A worker in the lacquering department

A factory is just like a government, everybody wants to build up their own power and influence (*Shili*), the department superintendent has to draw the workshop and line supervisors to his side and use their men in order to win their support.

A worker in the plastics department

As a result of the manipulation of workers' recruitment by the supervisors, a high proportion of the workers in one department, workshop or line came from the same province as their head. Moreover, the department superintendent had the power to promote supervisors and the workshop supervisor could also advise the candidates subordinate to them to be line supervisors. Those who joined through relations or introduction fees enjoyed a privilege on promotion. The appointment of a new department superintendent would usually lead to dismissal of supervisors loyal to his predecessor and promotion of his own relatives or *Laoxiang*.

Accordingly, the superintendent and supervisors in one department were usually related and had a trend of homogeneousness in province background over time. The evidence was abundant. Most of the workers and line and workshop supervisors at the old plant's assembly department were from Si Chuan province, while the superintendent was also from Si Chuan. As a common practice, if a supervisor was not able to perform his or her duty satisfactorily, the factory would continue to pay him or her for the grade of supervisor even if he or she was downgraded to an ordinary worker. In the metal department, as a result of the fact that both their superintendent and commissioner were from Hu Bei, half of the line

and workshop supervisors or those who enjoyed the benefits of the supervisors were from Hu Bei as well. During 2004 and 2005, the superintendent sacked many supervisors. Most of them were from Si Chuan province, and they were replaced by Hu Bei originals who were the friends and relatives of the supervisor. In the aluminium processing department, the head was a Hu Nan original, and accordingly, four of his five subordinate workshop supervisors were respectively his cousin, a brother-in-law, and two *Laoxiang*. Qi, who had been working in the department since 1999, explained:

Normally the department superintendent appoints relatives or *Laoxiang* as supervisors. The aim is to control workers. If the supervisors are the superintendent's own people when workers play up (*Naoshi*), they can help persuade workers, calm down their furies and channel their discontent. Then unrest will be avoided. Otherwise, if supervisors themselves lead the disturbance, and the issue is widespread, then the superintendent himself would be removed too.

Having worked in the factory for seven years, Qi said that he had a chance to be promoted to supervisor as his skill was comprehensive. But as common practice, he had to pay at least 2,000 yuan to the department superintendent, followed by regular gifts of 300 yuan or so on occasions such as May Day, National Day, the New Year, and the birthdays of his children or wife. He described himself as an 'unsocial' person, as he did not want to explore the opportunity of promotion.



He also explained to me why there was no significant labour dispute between 1999, the year he joined the factory, and 2004, except for one short stoppage in his department arising from workers' misunderstanding of the law in 2001.

### **Gangsters and Workplace Control**

In Shen Zhen, it was very common for managers to recruit and promote workers from their own home place for the sake of easy control. If there was a sign of potential collective action, the manager or supervisors would call their *Laoxiang* who were influential among workers to 'give face' by staying away from the action and even persuading other workers to do so. Yet in the Sun factory, the penetration of gangsters from the community into the workplace made the patron-client relations between the supervisory staff and their 'influential' subordinates, and its pacifying effect on shop floor rebellion, more apparent.

Most of the superintendents and supervisors had worked and lived in the village for many years. Some of them, especially the department superintendents, had worked in the factory as ordinary workers at the very early stage of the factory. Now they were around thirty- to forty-year-old men. Superintendents earned salaries ranging from 3,500 to 5,000 yuan with an unknown hidden income and the supervisors from 2,000 to 3,000 yuan. Their consumption power was obviously better than an ordinary worker, and some superintendents had bought houses to settle their families in the village. However, they were not rich enough to live in Shen Zhen's metropolitan city centre as their Taiwanese managers did. Moreover, their background as manual workers also determined their consumption taste and

preference, which was perfectly satisfied in the village. Accordingly, they developed their own social networks and peer groups in the village.

The 'influential' people in the village and at the same time the 'big brothers' of the gangsters were of a similar sex, age, taste, consumption power and original-place background as the superintendents and supervisors. They interacted with each other by living in the same housing estates and relaxing in the same entertainment places. Like Xiao Ying and the other small shopkeepers, they were ideal subjects for blackmail, burglary or 'protection fee' collection. Since their careers, and family and property in some cases, were in the village, they were too vulnerable to resist gangster attack. Xiao Ying was forced to close down her business, businessmen from LF county protected themselves by forming their own *Laoxiang* network and fighting back, superintendents were claimed to have friends or were involved directly in the game of 'brothering' with the gangsters.

As an exchange, a 'mutually beneficial' relation between the superintendents and supervisors and the 'big brothers' developed. The 'big brothers' introduced their subordinate 'brothers', *Laoxiang* or relatives into the factory, and the superintendents and supervisors gained protection and co-operation from the gangsters. Those introduced by the 'big brother' were promoted quickly to supervisory or skilled positions and became 'influential' people in both the community and the factory. I encountered one of them on a social occasion. The thirty-five-year-old man from Hu Nan was a workshop supervisor in the assembly department. Besides his job in the factory, he also ran a shoe shop in the village. To avoid sensitivity, I did not ask him too much about his history. But one of my friends

and his workmates who took me to visit him told me that he joined the factory three years previously and that he fought with others from the first day. Yet he was promoted very quickly from line supervisor to workshop supervisor.

The workers like the Hu Nan shopkeeper introduced by 'big brothers' did not perform proper work duties, and also bullied other workers seriously, especially the younger and older females. A peaceful and hardworking working mass was maintained by the group of special workers. A worker of such a sort said with a loud laugh: 'We came here for amusement, not for work!'

A worker in the aluminium department told me his story about being seriously bullied by his line supervisor who had links with the gang. Luo was a thirty-six-year-old honest man from Gui Zhou. He came to the village in 1993 as his first stop in *Dagong* life. He first worked as a casual worker in a small factory in the village, where he earned 500-600 yuan per month. After one year, he was sacked by the factory and worked on a construction site for three months before he returned home. Before long he left home again for the provinces of Zhe Jiang and Fu Jian, and had worked there for a total of six years. During the six years, he changed from one job to another frequently in both manufacturing and construction sectors. He said: 'Wherever I could earn money, I would go.'

Luo had worked in the Sun factory after he arrived in Guang Dong again in 2003.

Workers like Luo, who came out to *Dagong* as early as the late 1980s and early 1990s, were described by the Chinese media as the 'first generation of migrant workers', in contrast with the second generation which was more like Xiao Lin and

his peers. The first generation was less adapted to city life and more emotionally clinging to their home village (Pun and Ren, forthcoming). Hence, the meaning of 'generation' here focused more on culture than on age. The 'first generation' did not imagine that they would stay long in a factory or a city. As their wives or husbands usually stayed at home farming, they would quit a job and go back home in harvest season to help their partners. While most of the workers would return home to earn a living after some years of *Dagong* outside, like the father of Xiao Lin did, some stayed on in the city. Their fates were divergent. Some were promoted to be skilled workers, supervisors or middle level managers in the factories, while more had to work as delivery, cleaning or construction workers due to age discrimination in the labour market. In the Sun factory, the demanding physical requirement discouraged younger workers and provided opportunities for workers like Luo. In the aluminium processing department in which Luo worked, there were more workers aged over thirty than below, and more men than women.

Luo had usually quit jobs in order to visit his family at home, but after he joined the Sun factory, he changed the practice. If he wanted to go back to his home village, he always applied for holidays. His wife followed him to Shen Zhen and worked in another factory in the village. They rented a small room in the same settlement as mine. After his wife became pregnant, she returned home to bear their child. Then the whole family depended on Luo's income. Generation, age and family pressure were all factors affecting Luo's status in the community, labour market and workplace.



In 2004, an ancillary worker from Si Chuan was promoted to be a supervisor in Luo's production line. He was a ferocious man. One day, the supervisor asked Luo to check a batch of irregular items from the casting department. Luo would not be paid for doing this work as it was not his normal duty. Furthermore, his wage might be deducted if he could not reach the work target set by the factory. Luo was reluctant to do the work. The Si Chuan man's immediate response to Luo's complaint was, however, to punch him brutally twice and he was seriously injured. 'My chest was too painful for me to speak,' he said. He bought some medicine and applied for half a month of unpaid leave. The line supervisor did not even approve his leave application. Finally, it was the former line supervisor and then the workshop supervisor who persuaded him 'not to act in this way' that made him allow Luo to take the leave.

'Why did this Si Chuan man become so mad at you?' I asked Luo.

Luo: He knows many gangsters outside, so he is too impudent in the factory. Even our department superintendent is scared of him, and worried about him asking those [gangsters] outside to bother him. He was an ancillary worker responsible for delivering materials with a trolley before he was promoted [to line supervisor]. It is very light work. Before he was promoted, I had been bullied by him several times. After his promotion, it became even worse. For example, one month before he was promoted, he deliberately threw materials on my feet. The skin of my foot was quite grazed. But as it was not very serious, I did not take leave.

'Did you file a complaint to the factory?' I followed up.

Luo: No. He would beat you as soon as you say any more to him (*Duo Shuo Jiju*), not to mention filing a complaint. But after I was beaten by him so seriously, I really thought that I did not want to work here anymore. I wanted to spend some money to ask somebody to take revenge, but finally I gave up. As if I really did so, I would put myself in trouble too, you know, I had a wife and children at home. Of course, money was also a consideration.

Luo was not only oppressed by the formal factory regulations, but also by an interactive network of factory supervisors and gangsters in the community. Women workers in the factory were even more quiescent than men. Wang was a thirty-two-year-old woman who worked in the plastics department. She carelessly cut her wrist in 2002 when she was working. The law states that industrial injury compensation is available for collection until one leaves the factory. It was arranged for Wang to do some lighter work after she got injured. She planned to claim her compensation and then go back home to take care of her children in 2006. But the Social Insurance Bureau found that she had used her sister's identity card to work in the factory, so her legal entitlement to that part of the compensation paid by the Social Insurance Fund was revoked, though the factory was still obliged to pay their part of the compensation to Wang. Although it was not ideal, Wang was still satisfied with the compensation from the factory. One day, however, she was informed by her supervisor that the factory did not want to pay her any compensation as using another person's identity card was an offence. She broke down as soon as she heard that and was sent to hospital. Wang's mental breakdown reminds us that the dual

physical and mental trauma that Chinese *Dagongmei* suffered, which Pun (2005a) illuminated, still continues.

I interviewed Luo and Wang together just one week before Wang was sent to the hospital. Both of them complained of a lot of unfairness at work, but had never thought of filing a complaint.

Luo: [We have to] rush to finish work targets throughout the year, no matter how much they are, we must make them up. It is very exhausting really!

Author: Did you think of filing a complaint?

Luo: How could we complain? For people like us it is not easy to get a job. It is good enough so long as things are not bad and a job can be kept (*Chabuduo Jiu Suanle, You Fengong Jiu Suanle*). Moreover, there is more overtime work here, so the pay is a bit higher.

Wang: Our department requests us to have a self-funded health check every year. Some years ago, a young worker refused to do it, he was then immediately sacked. Who would dare to make a complaint after that?

Luo: More than 200 yuan was deducted from some workers' pay as they could not reach the work targets. None of them dared to show discontent.

Author: The deduction is illegal. Did you inform the labour bureau about the practice?

Wang: No courage, and did not know how to do it either. They [the management] use money to bribe the labour bureau. They [LSSB officials] would not speak with the managers in our interests.

Luo: Right. They [LSSB officials] wouldn't help *Dagongde* (people selling labour power). It was useless to go there.

Author: But then the strike happened. So things changed. Do you know about the strike?

Luo: Yes, of course. It was for higher wages.

As can be seen, original-place-based gangsters were exploited by the management to control the ordinary workers. It might not be an intention of the top Taiwanese management to manipulate gangsters in the workplace, but without sufficient knowledge of the local context and production process, they had to rely on the local supervisory staff, who retained personal contacts, loyalty, traditions and customs from their own original-places and brought them into the production regime.

### **Skill, Shirking, and Construction of Industrial Masculinity**

Through the network of place, gender, and seniority within and beyond the factory, peaceful workplace relations were maintained. Although female and unskilled workers were highly discontented about their supervisors and there were many cases of infringement of the Labour Law, no significant management and labour conflict occurred in the factory until October 2004. By contrast, the horizontal tensions among male skilled and experienced workers were overwhelming. Violent battles took place often along the lines of original-place. Gui Zhou and Si Chuan provincials were mostly notorious for their militancy and violence.



Chen, one of the workers I became friendly with in the hospital, was a thirty-four-year-old man from Si Chuan. Similar to Luo, Chen came to Guang Dong as early as 1990, and travelled frequently between Yan Jiang city in Guang Dong, where he worked on various construction sites, and his home town in the first decade of his *Dagong* life. He came to Shen Zhen to work in a small factory in Militant village in 1998 and joined the Sun factory in the same year. His wife and two children stayed at his home town and were fully dependent on his income. But unlike Luo, he had learned vehicle repairing in his home town, and the skill equipped him to be a machine repair technician in the metal department, although skill was not the sole factor in obtaining and maintaining his privileged status in the factory.

In 1998, he paid a 600 yuan introduction fee to join the aluminium processing department. But he quit one month later as work there was too exhausting. One year later, he entered the assembly department. As he had developed a better network in the community, it only cost him 100 yuan to buy friends a dinner in order to rejoin the factory. After working there for nine months, he resigned again as he had a row with a supervisor. In 2003, he was admitted to the metal department, introduced by one of his brother's friends who worked in the personnel department or knew the metal department superintendent. He did not pay any money to get the job, but as a reward, he did unpaid work for one month in a new restaurant run by the friend who had introduced him to the factory. The friend, who both worked in the factory and ran a business in the village, was part of the 'influential' network.

Chen was hired as a welder, but promoted to be a repair technician on the first day because of the shortage of technicians in the factory. Chen well remembered how he became a skilled repair worker:

I met our department superintendent on the first day of my work in the metal department. The superintendent asked me what I had done at home. I replied: 'Repair vehicles.' He then asked me if I could repair machines. I said no, I had even never seen the machines before. The superintendent however asked me to observe how other people did repair work and learn from them. I said OK. On the second day, when a machine was broken down, one of the technicians took me to repair it together. One week later, I was able to work independently.

Working in the factory as a skilled worker was just like staying in 'paradise'. Chen took me for a walk through the workshops and dormitories to interview workers and supervisors, although it was strictly forbidden in the factory regulations. According to Chen, they spend most of the working time sleeping or having fun around the factory. They had nothing to do when the machines were working. As most of the machines in the department were obsolete, the frequency of breakdown was actually very high. If there was a machine broken down, a bell would be rung to inform the technicians. Yet technicians might not go to repair it until one hour from their finishing time. Chen shared with me his perception on working in the factory: 'We sleep and have fun in the factory every day. No one disciplines us. As days pass,

there is not any achievement [for life].’ (*Tiantian Zai Limian Shuijiao, Tiantian Wansile, You Meiyou Ren Guan Women, Wan Jiule, Meiyou Shenme Jieguo*).

The privilege of the mechanics was not a phenomenon peculiar to the Sun factory. Workers from the Moon factory, a German-invested electronics factory whose strike story will be presented in Chapter Six, informed me of the same situation. According to them, the repair mechanics would come to talk or flirt with the women workers on the production lines from time to time. The supervisors would treat them very well. One of them said:

A machine can be repaired in a half-hour or an afternoon. If they [supervisors] treat the machinery repairers badly, we would work slowly, and then you would find it difficult to finish the work target on time. That is why supervisors have to buy them dinners from time to time, even though they might hate them very much at heart.

Therefore, when the repair workers came to the production line, no matter whether to have fun with women workers or help their work, the supervisors would not condemn either the repairers or the women workers. However, production workers had a strong feeling that the machinery repairers would look down on them:

We are different. They came to talk with you just because they are bored and want to kill time with somebody. Outside the factory, some of them don’t even want to say hello to you.... I’ve got a *Laoxiang* who is a machinery repairer....

He is a good man... He comes to talk with me and help my work from time to time.... and he would say hello to me when we meet in the road... but that's all.

Chen classified the stratum of workers who were paid as machine repair technicians in the Sun factory into two types: the 'real' skilled workers like himself, and the 'false' skilled workers who were indeed attached to a gang outside and had little skill. Although shirking at work was common for both groups of workers, the extent for the latter, who were more directly involved in the gang and/or had a closer relation with the superintendent, was much more serious. It aroused a sense of discontent among the 'real' skilled workers towards the management. Chen always complained about the 'worthlessness' of skill and the value of '*Guanxi*' (connections) in this factory. The personnel officer who introduced him into the department in 2003 quit from the factory, so his interpersonal connection with the superintendent had been dramatically weakened. He was also discontented with the superintendent's dismissal of three supervisors from Si Chuan in 2004. According to him, although he had better skill, his skill subsidy was much less than the superintendent's relatives, *Laoxiang*, and those who 'never worked in the workshops' (referring to the gangsters).

The 'false' skilled workers were clustered in the departments of metal, lacquering and painting, and to a lesser extent, processing. Chen estimated that there were several hundred workers of this kind within the factory. As the salary was paid by the factory, keeping so many slackers in the workshops would not directly hurt the interests of the mainland superintendents and supervisors. The Taiwanese



managers, who worked in the office, had to depend on the locals to control workers and manage production, so they had no choice but to turn a blind eye (*Yiyan Kai Yiyan Bi*) to what happened on the ground. But I was still curious about the Taiwanese owner's attitude to these deceptions. I asked Chen when he took me to visit the shop floor:

Author: 'So many workers do not perform duties properly. But why doesn't the GM take action on it?'

Chen: 'He cannot see all of this happening.'

Author: 'Is it because he spends most of his time in Taiwan and hardly shows up in the factory? '

Chen: 'No. He is in the factory most of the time.'

Author: 'Then he must never patrol the workshops.'

Chen: 'No. He goes to every department, except [it is] very rare for him to go to the assembly department [where workers are most docile]. In fact, all of the departments feared his visits. As soon as he comes to a workshop, people there tremble. He condemns people very fiercely. Department superintendents are blamed by him in every Monday and Friday morning meetings. When he blamed people, he won't see who you are. One time when he came to our department, he approached a pile of rubbish on the floor, two workshop supervisors ran to pick it up almost as soon as they saw him.'

Author: 'Then what would happen if someone was found sleeping by the GM'.

Chen: 'If found, all will be sacked immediately (*Ji Chao Bulun*). But normally he cannot find them.'

Author: 'Why?'

Chen: 'Someone would tip them off! (*Tongfeng Baoxin Ma!*) If the GM goes to a department, those people (slacking) will go to other departments.'

When I visited the shop floors with Chen in November 2006, some of the workers still gathered together to chat casually, although it was said that most of the 'false' skilled workers had left the factory after the strike in 2004.

Physical fighting was very common among the workers, especially those with skills or outside connections. Chen shared with me an example. A line supervisor asked a worker to take a tool from another production line. Another worker who had previously used the tool became enraged when he failed to find it. The supervisor kept silent, but the two workers fought. One of them asked his rival to fight outside the workshop. The two men then battled in the corridor and were found by the security guards and reported to the manager. Both of them were immediately dismissed. It was a policy of the factory to summarily dismiss any workers who fought physically in the factory to keep the violence level down. But if the fighting happened within a workshop, and Taiwanese managers did not know, then the supervisors would ignore it.

Many violent cases happened after a supervisor distributed work duty to skilled workers. As their jobs were non-standardized, if one worker saw that another's duty was much easier than his, he might feel uncomfortable and unfairly treated (*Bushunyan Bufuqi*) and then fight back. Those from Si Chuan and Gui Zhou were the two most powerful rival groups. Gui Zhou workers' comment on the Si Chuan provincials was: 'Good at flattery, and can only be small but not big officials. ((*Hui*

*Pai Mapi, Daguean Dangbuliao, Dang Xiaoguan*).' While Si Chuan people described Gui Zhou people as 'paper tigers'.

Chen was in a quarrel with a supervisor in 2005, but he never fought with him within the factory. On the contrary, he resigned from the job, and left for Guang Zhou for three months. After he went back to Shen Zhen, he seriously beat the supervisor when they met in the street. The latter asked his friends to have dinner with Chen, and asked Chen to 'give face', and then Chen accepted his apology and went back to work in the factory again. Even though doing things like this, Chen had a very strong sense of justice and fairness in his behaviour. Chen always said that he just could not bear the fact that (*Kan Bushunyan*) some of his Si Chuan *Laoxiang* bullied the minority in the workshop. That was why most of his good friends were from other provinces and other workshops. 'They [Si Chuan workmates] knew several stirrers outside. I also knew many people of this kind, but I never acted in their way. I would only fight back when others treated me unfairly,' he said.

The skilled workers, 'real' or 'false', had a special hatred of the factory security guards.

The community government provided security guard services for the factories that rented factory grounds from them. The factory in turn paid a reasonable service fee. This was to facilitate better control by the local authorities and police over both social order and industrial relations. According to a security guard who was employed by the community government, they would call first the factory owner and then the community official when there was an incident in the factory. The salary rate of a security guard was more or less the same as a skilled worker in a factory,

but guards said that their work was more relaxed than production work. Many guards also had connections with the gangs.

However, the Sun factory directly employed its security guard team rather than use the government service. As a common practice of the factories in Shen Zhen in recent years, the new plant contracted out the security guard service to a Police Bureau-sponsored company for a short time after it was opened. But the service was terminated in November 2004 and replaced by a team directly employed by the factory. Crimes such as stealing were common in the factory; the government-employed guards were claimed to be disloyal and not responsible enough to enforce regulations and protect the factory property. 'We just couldn't be bothered to make the effort' (*Women Buxiang Reshi Maiming*), a government employed security officer said.

The factory requested all of its directly employed security officers to have a retired soldier's certificate to show their military experience. They were encouraged by the management to beat the workers if they thought it necessary. In the case of fighting with a worker, the factory would provide proper medical treatment and hospital care for the guard while completely ignoring the worker.

It was more common for security guards to beat workers before the outbreak of the strike in 2004. 'Now workers know how to make complaints to the government. Our work is more difficult, and normally we will "gloss over it by turning a blind eye" (*Xishi Ningren, Yiyan Kai Yiyan Bide*) to misbehaviour', a guard said.

Workers were requested to punch their time card when they entered and left the factory gate. One day, a skilled Si Chuan worker in the old plant who used his



own card to enter the factory punched a night shift worker's card to leave. The move was halted by a guard, as the security supervisor was on the scene. The supervisor requested the worker to hand in his own card. The worker then submitted his card to the guard promptly, but threatened him thus: 'You want me to hand in the card, no problem, as soon as I hand it in, I know I will be sacked, and then disappear in this factory. But you should know what will happen to you tomorrow.' He then walked out of the factory. The supervisor called him to come back, but he kept on running away. Yet, the supervisor still chased the worker and returned his card to him. However, the supervisor was brutally attacked by eight gangsters after he left work.

Xiao Liu, the driver in the warehouse department, told me one of his stories. There was a young female clerk working on record-keeping inside the security kiosk at the entrance to the new plant. He would flirt with the girl sometimes when he passed the gate. Once, a security supervisor glanced at him when he was doing so. He responded by asking the supervisor to apologise, otherwise, he would make trouble for him. Finally, the latter made an apology. According to him, for workers like him, knowing 'some people' outside, it did not matter if they did things like 'stealing and robbing' (*Toutou Qiangqiang*) within the factory. He was found without a temporary residential certificate during a police household raid, but as he had a local friend who knew somebody at the village (community) Party Committee, he was not punished.

Willis (1979: 196) suggested that the political discontent of shop floors was hugely diverted into 'the symbolic sexual realm' of 'a transformed patriarchy... from the outside'. From a feminist perspective, Cockburn (1983) forcefully showed men

gained power over women by securing access to technology and skill in the printing industry in London. Recent studies of British service industries have further revealed how gendering, which is a constituent of and constructed by workplace power relations, was manipulated by the management to control workers (e.g. Leidner, 1993). This study explores the making and manipulation of masculinity in the global factories of contemporary China. Through the stories of Chen, Xiao Liu and many others, we could see how industrial masculinity, as a social process of gendering, was constructed through the social process of skilling and brothering in workplace and community (Cockburn, 1983). This construction of industrial masculinity in fact unfolded together with the construction of industrial femininity, which we can see from Xiao Lin's Hu Nan workmate and Wang. However, both industrial masculinity and femininity showed their dual social functions. From Xiao Lin and Chen, we can see a sense of fairness and justice that might be used as a resource in labour protest, as Hodson (2001) pointed out, while sexism and violence are major drawbacks. Similarly, from the Hu Nan woman, we can see women sometimes were more strategic and determined to claim rights and justice, although Wang seemed to be very docile in the workplace. Luo is a man, but industrial masculinity did not affect him due to his inferior market and production position. This further confirms that gendering of masculinity and femininity is a social process in the labour market and the production regime.

### **Concluding Remarks**

This chapter has illustrated community and shop floor culture in a migrant workers' community, which I called Militant village, to explain how the social relations in the

community influence the power relations in the workshop, and vice versa. As a background to the next chapter, the key argument is that the social relations in the community and production relations in the workplace are reinforced, but not separated from each other. The culture of locality, gang, gender, generation and age had worked together with labour market conditions to give rise to a certain group of workers, in skilled and supervisory positions, who were more confident, militant and violent than the others.

This group of skilled and experienced workers has, in recent years, benefited from economic expansion and the corresponding shortage of skilled labour. The stratum of male workers with close gang connections was used to oppress and pacify other subordinate groups of workers, and accounted for the general quiescence of workers in the Sun factory. Those who maintained a looser attachment to the gang and illegal activities, however, developed a sense of justice and pride through their struggle for a better life, like Xiao Lin and Chen.

But for the larger number of unskilled workers, most of them female, young and older, suffering from the boredom of the routine work, the inhumanity of disciplinary rules and the despotism of localistic masculinity, working life was exhausting and frustrating. They either chose to regain control over the means of production, like Xiao Ying, join in the underground informal economy and crime, like her younger brother, or tolerate unfairness in the workplace. The life choice was constrained by the opportunities available, personal values and family economic conditions.

As many studies in European countries have shown (Thompson, 1963; Hobsbawm, 1968; Katznelson and Zolberg, 1986; Berlanstein, 1992), the comparatively privileged economic and social positions offered the artisans a core role in workers' struggle during the early stage of industrialization. In immigrant societies like the US, where the tradition of artisans was more limited, however, it was the original-place-based gangsters and frontline supervisors who took a pivotal role in labour market, community and production politics (Thrasher, 1927; Nelson, 1975; Padilla, 1992). Perry (1993) had indicated a resemblance of Chinese industrial society to that of the US. The scope and limit of the 'labour aristocracy', the term coined by Hobsbawm (1968: 272), in the context of China's global factories will be investigated in the next chapter.



## Chapter Five

### Strikes and Changing Power Relations in the Workplace

#### Introduction

*Returning to the dispute about the strikes' 'spontaneity', let us examine its implications more closely.... The dispute can be considered a 'quibble' only by implying that there is always some form of planning, whether by informal or formal leaders.*

Gouldner (1954: 91-92)

*A strike should involve somebody to act as leader, but not anybody can be a leader. Usually it is only veteran workers who are able to be leaders. On the one hand, they have more interpersonal connections and respect, and they know more people; on the other hand, what they say is more trustworthy so others are more likely to listen to them. And these leaders themselves also do not want to work any more, and so try to stir up some unrest before leaving.*

A lacquering worker in Hui Zhou

When I interviewed a twenty year-old professional college graduate from Hu Bei province who worked on the shop floor in the Sun factory's new plant in Hui Zhou, his comment on the question of strike leadership was as illuminating as industrial sociologist Gouldner's classical studies in the 1954 book, *Wildcat Strike*. It

reminded me of the powerful relationship between the sociological account of industrial conflict and the day-to-day experience of industrial workers. Previous chapters have elaborated how workers were divided along the lines of gender, place of origin, age, skill level, and gangs. This chapter will explore the potential and limitations of the multi-faceted non-class identities in the rise of workers' strikes and other forms of collective protest. By providing an account of the cause, process, consequence, and impact of a strike in the Sun factory in 2004, this chapter discovers the economic, cultural, and organizational resources that underlie a workers' strike. As shown, the 'unlimited supply of migrant workers' or the phenomenon of *Mingong Chao* (tidal wave of migrant workers) since the early 1990s had dramatically weakened the marketplace, workplace, and associational power of workers (Wright, 2000). The most vulnerable workers in the market were scared of losing the comparatively high-paid jobs in the Sun factory and so chose to tolerate the despotic management and even bullying from gangsters, while alienation at work forced those with less family pressure to quit and seek other life chances, and workplace conflict was directed along the lines of original place among the skilled workers. In short, the strategy of 'loyalty' or 'exit' overwhelmed that of 'voice' in the factory, in the terms of Hirschman (1970). In this chapter, I am also going to demonstrate how 'voice' and then 'exit' became the workers' new strategy as the labour market conditions changed, facilitated by the locality-based gangster network in the community, industrial masculinity, and the sense of justice and fairness among skilled workers. This chapter begins with an elaboration of a significant strike in the Sun factory's Shen Zhen plants and its influence on worker-

management power relations in the workplace and the community. Then we will see how the strike experiences in Shen Zhen were transferred to the factory's new plant in the city of Hui Zhou and reshaped workplace relations there. On the way, the similarity of resistance and the differences of management strategy will be discussed.

### **Rise of the Strike in 2004**

*I went to watch. It was a precious opportunity, of which one has only one or two in one's whole life.*

A driver in the factory describing the protest in 2004

Workers in the Sun factory were pacified by a despotic gangster network based on skills, gender, place, and seniority across the factory. Among the workers' interviews, one of them shared with me the one and only case of a stoppage before the outburst of the strike in 2004. The stoppage, however, rather showed workers' misunderstanding of the law as well as their poor communications.

In the face of the high industrial accident rate in some departments, the factory bought industrial injury insurance for workers who had worked for more than three months in the departments of painting, casting, and aluminium processing. Although the injury insurance was solely paid by the employers, at that time it was bound up with social insurance and the factory deducted thirty-seven yuan from workers' salaries for their own contributions to insurance. Workers, however, did not understand why their salaries were reduced and stopped work. The factory director and department manager then went to explain to workers about the contribution ratio,

benefits, and legal requirements for social insurance. The workers soon resumed work. The social insurance, however, rose to be one of the focal demands of workers' collective action three years later.

### **Working Conditions on the Eve of the Strike**

In 2004, workers worked seven days a week. The daily working schedule was as follows:

#### **Day Shift:**

Morning session: 7.30 a.m. – 11.00 a.m.

Lunch break: 11.00 a.m. – 11.30 a.m.

Afternoon session: 11.30 a.m. – 4.30 p.m.

Dinner break: 4.30 p.m. – 5.00 p.m.

Evening session: 5.00 p.m. – 7.30 p.m.

#### **Night Shift:**

First session: 7.30 p.m. – 12.00

Midnight break: 12.00 – 12.30 a.m.

Second session: 12.30 a.m. – 7.30 a.m.

(Night shift workers were allowed to take a rest within their workshop between 5.00 and 6.00 a.m., the exact duration depending on the department and on the condition of not leaving the factory. They could go out of the factory during the lunch, dinner, and midnight breaks.)

In 2004, the municipal minimum wage was 480 yuan per month for a forty-hour working week. According to the law, weekday overtime pay was 1.5 times the basic rate, and weekend overtime was two times the normal working rate (2.48 yuan



per hour). But like most private factories (A. Chan, 2001), workers in the Sun factory were paid below the standard. An ordinary worker's basic monthly salary was 450 yuan, covering eight-hour days from Monday to Saturday. Overtime work beyond the forty-eight hours was paid at an hourly rate of 2.48 yuan. An ordinary worker usually got 700 to 800 yuan by working fourteen hours per day and seven days per week. One of the workers told me that he earned 970 yuan with 186 hours of overtime work in one month, and 1,200-1,300 for more than 260 hours of overtime. This level was quite acceptable to most of the workers as overtime work was stable and higher than other factories. I asked a middle-aged woman in March 2006: 'Was your salary enough for your family [in 2004]?' She said: 'Yes, the living standard was comparatively lower at that time, for example, the rent for a single room was only eighty yuan, and one sitting room and one bedroom flat, 120 yuan; but now it costs 150 for a single room, and 200 for a flat.'

On top of the basic salary and overtime pay, which were universal for all, there were extra subsidies based on job titles, skill, and environment to distinguish different posts. The environment allowance was universal for workers in the same department, for example, forty-five yuan in metal, seventy in painting and plastics, 140 in aluminium processing and assembly, but as high as 300 in the lacquering department. The skill subsidy depended on the workers' skill level at the supervisor's discretion. The line supervisor had a 400-500 yuan post subsidy, and the workshop supervisor 700-800 yuan, while their overtime pay was the same as ordinary workers. A skilled worker in the metal department, for example, received forty-five yuan for environment allowance, and 110 yuan for skill subsidy.

Environment allowance in the lacquering department was the highest and far ahead of the second place department at 140 yuan, justified by the fact that workers in this department had to breathe toxic chemicals in the air.

The factory provided dormitories for all of the workers, and deducted fifty yuan per month from their salaries for rent and bills. However, more than thirty per cent of the workers, especially those on higher pay and with a partner working in the village, lived in privately rented rooms, and so there were many vacancies available in the dormitories. A skilled worker who lived outside the factory said that he had installed broadband at home, so he could surf the internet at night, whilst the dormitory would close the gate and switch off the light at 11.00 p.m.<sup>46</sup> But for lower income and older workers, choice of accommodation was more on considerations of convenience, living cost, and security rather than leisure. Working couples in the village tended to rent private rooms, while convenience for cooking was also a key consideration for them. Before the outsourced factory canteen closed at the end of 2004, workers could choose to eat in the canteen at a reasonable price of two yuan per meal. But workers complained that the food was dirty and disgusting and preferred to eat out in food stalls and restaurants even though this was more expensive. Cooking at home provided a good alternative for those living outside the factory. As a result, only four or five beds of the eight-bed dormitory were occupied. However, it is always a dilemma and struggle for workers to decide whether to live out or in. When a worker living in the dormitory complained of theft and expressed

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<sup>46</sup> My visit to the dormitories with workers showed that control in the dormitory blocks was even more strict than on the shop floor. There was one security guard sitting on the stair entrance of each floor. See Pun (2005) for workers' dormitory life and Smith and Pun (2006), Pun and Smith (2007) for a portrait of dormitory control and resistance.

her intention to move out, one of her good friends who already lived out discouraged her: 'Go and talk with your room-mates about installing a lock on the door is a better choice. For people like me, more than 200 yuan of rent and bills is really a big burden.'

### **The Incident that Led to the Strike**

During my fieldwork, owners often complained that giant buyers like Wal-Mart kept requesting lower prices with the lure of a large order. In the face of keen market competition, it seemed that expansion and rationalization were dual strategies of the management for their businesses to survive, which was the same strategy used by US enterprises in the late nineteenth century (Nelson, 1975). Like the Uniden factory, another supplier of Wal-Mart, which was discussed in Chapter Three, in 2004, along with a 150 million US dollar new investment in Hui Zhou, a rationalization programme was introduced in Shen Zhen by the top management of the Sun factory. While expansion faced the widely reported 'shortage' of peasant workers (*Mingong Huang*), at least of skilled and experienced labour, rationalization touched off a new wave of labour protests. Workers in the Sun factory, like their counterparts in many other factories, exploited the opportunity to strive for higher wages and better protection.

On the eve of the factory's dramatic expansion, the factory hired a management expert to initiate a reform to increase efficiency and rationalize production. In April 2004, the factory began a new policy. During the half-hour lunch break from 11.00 a.m. to 11.30 a.m., workers were requested to punch their time cards twice, in and out. Most of the workers had their lunch outside the factory.

The move was a sign of the management's awareness of the regulation loophole and abuse. As workers did not need to punch their cards at either lunch or dinner breaks, it was very common for skilled workers, especially those with gang connections, not to return to work until the evening session. The new policy brought troubles to workers. A long queue appeared behind the punch clock. Those who worked on upper floors of the factory building and reached the ground floor later had to wait ten minutes or more for the punching. That meant that they only had ten minutes to eat lunch outside.

### **Development of the Strike**

#### *First day*

The strike began one day in April at the lacquering department, which was situated on the fifth floor. Workers found that they did not have enough time to eat lunch. However, the location and longest waiting time were not the sole reasons to account for the leading role of this department in the strike. With the highest environment subsidy, this department attracted the most gangsters and such like to work. It was one of the main departments that settled the most 'people who don't need to work' or 'false skilled workers'. The real targets of the reform, the workers who did not return to the factory after leaving for lunch, were mainly from this department. All workers in the department staged a hunger strike at lunchtime, by sitting in the workshop and refusing to eat lunch and work. The factory management sent instant noodles, but workers insisted on not eating. Taiwanese managers then came to negotiate with the workers. Workers requested that their salary be increased from 450 to 480 yuan, and overtime pay from 2.48 to 3.5 yuan per hour. The management



agreed with the wage demands, and workers returned to work. Nonetheless, the strike spread to the whole factory the next day.

### *Second Day*

A notice was posted up by the factory the next morning, saying that workers' salary would be increased to 480 yuan but overtime pay would be 2.9 yuan rather than 3.5 as promised. Workers in the lacquering department felt furious at the announcement. As a response, they planned to initiate a factory-wide strike. From the morning, notices calling for a strike were stuck up around every department. However, most of the workers stayed at work.

In order to attract public attention and state intervention, 100 to 200 workers from the lacquering department walked out of the factory to block a national highway (*Guodao*) near the village. As there were two junctions from the village to the highway, workers divided themselves in two groups and each went to one entrance. Their move aroused the attention of both the management and the police. The first group was stopped and taken back by their managers, who drove to catch them up; the second group, which had walked onto the highway, was driven off by the police. The police also arrested seven of those who rushed into the front line, even though they were not representatives or leaders of the workers. As the police found it impossible to identify who were the leaders, they detained those who appeared to be the most violent and radical. The seven workers were separated and detained in the town and district level police stations. The development of the dispute forced the police to release them without any charge, in one week for those detained in the town station and two weeks for those in the district police bureau. No

retaliation was directed at them after they were freed from the station and returned to work in the factory.

The detention of the workers annoyed and further radicalized the workers. A group of young men from the lacquering department ran to different departments, turning off or even breaking the general electricity switches. The older sophisticated skilled workers and gangsters in the department, however, acted in the background to push and enrage their younger subordinates, who became furious and flushed with anger. Those who tried to stop them were severely attacked by the group. Therefore, almost all of the workers walked out of the factory. No formal assembly meeting was held among workers, but thousands of them stood outside the old plant in which the administrative office was located, whilst others wandered around in the village, or stayed at home.

The residential district government (*Jiedao Ban*) and police officers arrived outside the factory as soon as workers gathered there. The mayor tried to persuade the crowd: 'Any matter can be solved step by step, let the government handle your dispute.' But he failed to convince the workers. At noon, the factory requested the workers to elect their representatives. There was no formal election, but ten male workers stood out voluntarily to be workers' representatives, among whom four were Si Chuan provincials, five were working in the lacquering department, and most were line supervisor level staff. According to workers, they were those 'ready to quit from the factory', and wanted to 'play up' (*Gaoyigao*) before they left the factory. The negotiation was held in the new plant in the afternoon. Workers moved to the plaza out of the canteen in the new plant to wait for the result. However, at the

end of the meeting, the ten representatives were taken out of the factory in a police van and then disappeared from the factory, workers claimed. In the workers' understanding, they had been dismissed and requested to leave the factory immediately with compensation as high as 30,000 yuan. One of the representatives from Si Chuan was said to have been physically punished and coerced to leave as a result of his resistance to the arrangement. Uncertainty and suspicion emerged among workers, including a rumour that the representatives had been killed by gangsters hired by the factory.

The night shift workers followed their day counterparts. In the evening, some of the workers were annoyed enough to rush into the administrative office, broke the computers, and drove the Taiwanese general manager and local factory head off to the entrance of the factory, where thousands of workers had gathered. The furious workers waiting outside the factory pushed and attempted to beat the manager. Two security guards then dragged the manager back into the factory. One of the witnesses described his recollection of the scene:

There were two to three thousand workers on the scene at the factory entrance, and also a certain number within the factory complex, who requested the Taiwanese Lao (Taiwanese guy) [the general manager] to come out and explain. The Taiwanese Lao finally came out at nine o'clock in the evening. As soon as he appeared, those standing at the entrance pushed inwards, while those inside crowded out, all were screaming a 'wow wow' sound. Someone shouted: 'Kill him! Kill him!' The factory director, who was accompanying the

Taiwanese Lao, said: 'Don't act this way, it can't sort anything out.' Workers did not stop screaming. The Taiwanese Lao who was surrounded by the crowd was then beaten by somebody. Four or five security guards promptly dragged the Taiwanese Lao and the director into the factory, and closed the gate of the factory. By then, most of the workers had come out of the factory. Some angry workers managed to climb over the high iron gate making the 'wow wow wow' sound. Others flung out cigarette butts, water bottles, and rubbish at the body of the Taiwanese Lao. Half a bottle of water was just thrown at the head of the Taiwanese Lao. The Taiwanese did not lose his temper; on the contrary, he said: 'Don't throw this stuff, stop it. Wages can be raised.' One of the workers cursed at him: 'You Taiwanese guys do not treat us [mainland Chinese] as human.' The Taiwanese responded: 'We are all the same.' Workers shouted: 'Raise the wages according to the law!' He said: 'I agree. I promise to raise salaries, from 450 to 480 yuan. The overtime rate will also be raised to 3.5 yuan per hour, 1.5 times the normal rate. It will be double time on Saturdays and Sundays. If you have other demands, you can raise them, and let's talk.' Workers continued dialogues with him.

Around 100 workers stayed on overnight outside the entrance to block the factory and stop the factory sending goods off.

### *Third Day*

The next morning, a notice was posted by the factory stating that the wage would rise to the minimum legal standard. It was also said that a collective agreement had



been signed between the management and representatives, with three copies kept by the factory, workers' representatives, and the LSSB. But the dispute remained unresolved. Workers put a big card behind the punch clock, informing workers to sign a petition to the city government for 'the return of people' (Yao Ren); release of those arrested on the one hand, and the ten disappeared representatives on the other. The notice was not removed. Workers said: 'The security guards did not restrain activity in those few days, with several thousand workers involved how can they restrain us? Even as the police came, they dared not restrain us either.'

Two to three thousand workers then walked from their factory to the national highway again that morning. Some of the workers with a box began to raise funds for a long-term struggle. They claimed money would be used to buy cameras and amplifiers for records and public announcements. This time workers walked on the same route to the highway. They were not stopped until they had walked for ten minutes along the highway to another industrial village where hundreds of riot police and security guards from security companies affiliated to the Police Bureau stood by. LSSB officials on the scene persuaded workers to return to their factory and promised that they would come to the factory: 'As long as you go back, we can talk about any conditions on the table.' Workers then walked back to the factory.

When workers arrived at the factory, the Taiwanese managers all escaped, according to the workers, to a Taiwanese factory next door. So no negotiation took place. Workers wanted to go out again soon after they found that they had been deceived, but the gate of the factory had been locked and no worker was allowed to leave. However, some militant workers forced the security guards to let them out by

threats of attack. Riot police stood by outside the factory, but as no further violence happened, they withdrew in the afternoon. Almost all of the workers left the factory at 3.00 p.m. The night shift workers carried on the strike. They went back to the factory and punched time cards, but did not work and soon left. Fury and discontent spread among the workers. In the evening, a bigger mobilization was on the way. In every corner of both the factory grounds and the village, skilled workers and supervisors gathered in groups to discuss the action of the next day. With the money raised from workers, organisers paid a company to make two big banners. Others spontaneously prepared their own slogan boards for the demonstration.

#### *Fourth Day*

In the early morning, a message spread widely among ordinary workers. 'In dormitories, private buildings, and street corners, people were asking others to "go to the city government"', a worker recalled. Later two big banners were hung out, bearing slogans of 'Return our ten workers' representatives' and 'The Sun factory violated the labour law by not raising wages!' No department superintendent joined in, but gangsters, supervisors, and skilled workers were said to have taken leading roles. Workers could recognize that the workers with amplifiers, who directed workers where to stand around the banners, were line supervisors.

At 8.00 a.m., 4,000 to 5,000 workers then departed from the village for the highway. Some workers acted as pickets, stopping the vehicles and buses on their way heading to the highway. They suggested to drivers to use other roads. When some drivers ignored their suggestions, the glass of their cars was broken by furious workers. In spite of the turbulence, the protest was better organized, planned, and

co-ordinated than the previous day's. The highway, connecting the province's two most prosperous metropolitan cities, Shen Zhen and Guang Zhou, and passing through another of the biggest manufacturing cities, Dong Guan, is one of the busiest in the country. As workers had marched into such an economically key road on three consecutive days, the police were also well prepared to block demonstrators at the highway entrance. Instead of confrontation with police at the first junction, workers adopted an alternative strategy. As soon as the crowd arrived at the junction, a leader announced through an amplifier: 'Listen, we don't walk into the main road.' Then workers began to flood onto the pavement. Firstly, the police used the bodies of policemen and security guards to fence all of the entrances to the main highways. There were ten to twenty men standing in each entrance. Then, hundreds of police officers and security guards tried to stop workers from moving further forward on the pavement. Workers who found themselves surrounded by the police and security guards resisted severely by throwing bricks, stones, and grass at the officers. In one of the battles, two guards' heads were injured. More security guards were dispatched from other towns to provide support.

Beside the two big banners, there were at least three amplifiers, and several cameras and fund-raising boxes. Younger ordinary workers held up the banners, rather than the gangsters and supervisors, who only showed up to give directions at critical moments. Not long after the workers arrived at the highway, policemen became angry with the workers holding up the banners: 'Put them down! Put them down!' Workers backed down and someone walking far behind came to take away the banners. While it was the ordinary workers who held the amplifiers and led the

slogan chanting, some middle-aged 'brothers' walked along making the 'wow wow' sound to raise workers' morale. On the surface of the boxes was written: 'For our common interests, please put in your money.' The boxes were soon full of money. The cameras were only used to take pictures when workers were beaten by policemen, but not vice versa.

Some reporters walked along and interviewed workers. An outspoken man told a reporter: 'Our factory doesn't pay wages according to the law. We elected ten representatives, but we don't know where they have gone now, probably they were killed.' Yet finally there were no significant reports in the media. Workers believed that it was a result of pressure from the government.

More and more workers from other factories also joined in the march, to show support or just for fun. Workers said: 'We were so many people. They were unable to stop us at all.' At 1.00 p.m., five hours after they had left the village, the protestors, whose number had reached as high as 7,000 to 8,000, arrived at the immigration control station. The station was built in 1979 to separate China's first SEZ from other parts of the country. Non-SEZ residents needed a pass from the police to go through the station into the SEZ. The district government building was just beside the control station, while the city government was several hours' walk from the station. The workers' intention was to go through the station and head to the city government. This, however, would not be tolerated by the police. More than ten ambulances and over thirty water cannons stood in the front of the station. A more bloody battle then happened at this point.



Police officers and workers confronted each other. The police used the water cannons to drive away the workers. As soon as the water cannons stopped jetting, the workers lobbed stones and bricks at the police. The stones were like 'a hail of bullets raining down' (*Qianglin-Danyu*), workers said. The policemen protected themselves from the attack with shields. At this moment, Xiao Lin, Xiao Liu, Chen, Qi and many of their mates, who were in the range of skilled or experienced workers, all walked at the front. They saw that a supervisor in his factory uniform stood in the centre of the workers, calling for others to push forwards (*Xiangqian Chong*) with an amplifier. Police attempted but failed to move in as the stones rained down on them. It was a coincidence that the point was a construction site for road repairing, so it was convenient for workers to dig stones, bricks, cement and trees out of the ground. Later on, the police used a new strategy to drive off the workers. Qi, whose feet were stabbed in the battle, told me:

Some policemen fell down. It seemed like a battlefield of a war, terrible. At the beginning, the police did not have a good strategy, but later on, they sent out plainclothes men to mix with the protestors. They caught people within the crowd and hit them fiercely. Some of us lost shoes when running away. They used the stones to hit our feet. When we, [who were] in the front fell down, those behind screamed, and others were afraid and retreated.

Eight workers who had more physical conflict with the officers were arrested when workers moved onto the highway, followed by more than twenty during the

battle in front of the control station, workers said. They were all released before long. Thirty workers were sent to the hospital. Their medical expenses were all paid by the police. Qi stayed in the district hospital with more than ten other workers for two weeks. According to him, the head of the district Police Bureau came to visit them, and gave all of them, workers, policemen, and security guards, 100 yuan each. I asked Qi: 'Will you walk at the front, and fight with policemen and guards again if there is another protest in the future?' 'Certainly not! I will sit down somewhere to watch [others fight],' he said.

One and a half hours later, when workers went back to the village, the vehicles still could not move at all. Although there were no media reporting the case, about which workers were quite disappointed, the big traffic jam and violent battle made residents and workers in the district well aware of the incident. For those participating in the protest, the first impression left in their mind was 'fun'. 'It was fantastic. Everybody came together for fun. Wow, wow, all of us felt great!' Xiao Lin said. Workers were especially thrilled when there was a rumour that the city mayor came to the scene in person to take command.

The next afternoon, workers were instructed to attend a meeting in the canteen. District LSSB officials, the police, the general manager, and the factory director were present at the meeting. The general manager made an apology to workers with tears running down his face. He reassured them that both lunch and dinner times would be extended to one hour, and promised the factory's policy would fully comply with the law. The curtain then fell on the strike, although the ten representatives never returned to the factory. The factory closed for two days more

to recover from the chaos, and then workers returned to work after a notice from the factory further confirmed the enhancement of salary according to the law. Workers heard that the new manager who had introduced the new administrative measure was dismissed.

### **Workers in the Strike**

There were no signs of department superintendents directly involved in the organization of the strike. Yet, according to workers, without their support, at least tacit (*Moren*), no successful strike could be organized. The wide discussion among workers on their discontent and actions was well known about by the superintendents, not to mention the patron-client relation with them and their subordinate supervisors. The role of workshop supervisors was ambiguous. They attended the demonstration and its preparation, but did not take a leading role overtly. The line supervisors then were the frontline organizers and leaders of the strike, with the support of a range of skilled and experienced workers. Those with closer gangster connections, especially from the lacquering department and the provinces of Si Chuan and Gui Zhou, were more active than others. The most militant and violent group were male workers in their early twenties, with the support of their supervisors. Ordinary workers, although widely participating in the strike, were generally enthusiastic followers. Underlying this superficial division of labour, there was a small group of slightly older workers in their early thirties who acted behind the scene to influence the process.

Men working in other factories or not working at all also appeared in the protest, during which many of them claimed that they came to join 'on behalf of

their wives', who were working in the factory but staying at home at the moment. The husbands were normally without work and were involved in gang and illegal activities in the village. On the other hand, there were still many workers who did not turn up for the highway protest, despite its high turnout; they were those in weaker production and market positions, women and the older ordinary unskilled workers.

On my first day of meeting the Sun factory workers in hospital, when the male skilled workers were thrilled at my research topic and talked extensively with me about their strike experience, one woman worker in the plastics department told me, with hesitation, that she had stayed at the production line during those days, although she also supported the strike as its success was beneficial for all workers. Aged thirty-two, she complained a lot of the 'too tiring and too hard' work in the factory, but did not plan to leave. The Sun factory was the only factory she had worked in since she had left home in 2003.

Neither Luo, a middle-aged man who was being seriously bullied at work by his supervisors, nor Wang, an injured worker who then became mentally ill, joined the protest, but their positions and observations on the strike provided an insight into the world of the ordinary workers.

Author: Did you join the protest?

Wang: After I got injured in July 2002, my wrist was broken, and three surgeons operated [on it]. At the time of strike, I was staying at home on sick leave. It was inconvenient for me to join.

Luo: I stayed at home, and did not go.



Author: Why not?

Luo: Too many people... hmm... well, if you went, they would sack you, you could see those leaders were all sacked, and some others were beaten. For people of my age it is not easy to find a job, so I should consider my wife and children who depend on me.

Author: Hey, Wang. If you had not been injured, would you have joined the protest? Did you not fear being sacked too?

Wang: What should I fear? Could they sack so many people?

Author: How long did the strike last?

Wang and Luo: Around a week.

Author: Both of you did not go to work for the whole week?

Luo: Yes. Everyday we went back to the factory to punch the time cards, and then came out. You could go wherever you liked. If you didn't want to go anywhere, staying in the factory was also fine. For me, I usually stayed at home to sleep.

Author: When the strike began, you were working on the shop floor, right? Can you tell me how workers in your workshops stopped working?

Wang: Somebody turned off the light, so nobody could work any more.

Author: Then why did you return to work?

Luo: The factory posted a notice, saying wages would be increased. Then we went back to work.

Author: Were you informed by somebody, say those who led the strike, that you should return to work?

Luo: No. I followed the others. Workmates would talk.

Author: In your experience how is a strike initiated?

Luo: It should have some leading persons. For example, if we want to lead a strike, then a few of us should gather together to discuss, and issue a statement, saying the wage was too low, and then ask others to sign up, and call for more to strike. In this way, a strike was organized. If a worker runs out saying: 'No more work today, let's strike', others would follow. Ordinary people would listen to the others. In our department, if the plastics department upstairs began to strike, we would follow too.

Author: Did you know which department the 2004 strike began with?

Luo: I did not know. But in our department, the worker who first asked others to stop working was sacked.

Luo seemed more informed than Wang about the strike, despite his hesitation to join the action. The interview was conducted in the company of Xiao Lin. After Wang and Luo left, Xiao Lin commented to me his opinion of workers like Wang and Luo:

There are many people like them, very timid. When others strove for a wage increase, they can share in the success without any cost. Wang said that she did not go to protest as she was injured, it was an excuse. I was in hospital at that time, but I still came out to join. I was curious, you know, and it was fun. Actually many youngsters showed up in the protest. It was very exciting to rush ahead with the police. Some of them did not really come for the money, but to enjoy themselves and let off steam.

Xiao Lin's point was confirmed by the experiences of many other workers. Factors propelling participants into the protest were diverse, but curiosity, prolonged discontent, and a sense of unfairness could account more for many workers' enthusiasm than the wage demand. A driver whose monthly income was as high as over 3,000 yuan said that he went to the protest because there were only one or two chances during one's life. His wage structure was different from the production workers, so he did not expect the strike would help increase his income at all. Chen, the technician in the metal department, attributed his attendance to his discontent towards his department superintendent:

Having worked here for such a long time, I deserved a higher wage. You saw the salaries of friends and relatives of the Hu Bei superintendent were always adjusted so promptly and frequently, two times in a year! These guys worked less than me, but their salaries were even higher than mine, that was why I felt uncomfortable. Even if I was arrested, I would not regret [joining the protest and conflict with the police], although I have got two children at home.

### **The Knock-on Effect of the Strike**

As Hyman (1989: 135) put it: 'Consciousness of the efficacy of strike action can also be affected by other groups of workers.' The success of the Sun factory workers' wage struggle exerted a knock-on effect on the struggle over working conditions in the village throughout the next month. Struggles to demand wage adjustment according to the law broke out in almost all of the eight big factories

(with more than 1,000 workers) in the village. Not only workers learned from the Sun factory, government and management also drew lessons from the case and contained the workers' unrest as early as possible. As soon as there was a sign of a strike, the management informed the government, then the main gate of the factory would be locked and the factory grounds surrounded by riot police. Without any negotiation, the other factory owners responded promptly to increase wages in line with the Sun factory.

### **Development of Industrial Relations after the Strike**

Although Marx imagined that proletarian factory workers would play the leading role in the class struggle, empirical studies after the 1960s generally agreed on the vanguard role of skilled and semi-skilled workers in workplace struggles (Gould, 1995). In China, Perry's (1993) study of strikes in 1920s Shang Hai also revealed the leading role of the artisans and skilled workers before the intervention of communist intellectuals. The artisan tradition in Shang Hai, however, was also related to original place, gender, and gang. As the proletarianisation thesis argued, the radicalization of artisans and skilled workers was a response to the erosion of their autonomy in the production process (Freidson, 1984; Tilly, 1984). Once the management introduced rationalization reform to weaken the control of the technical workers and frontline supervisors in workplaces, the rudeness, violence, militancy and confidence forged in their social and industrial life and used to pacify other groups of workers turned its head against the management in the general interest of workers (Nelson, 1975). It was at such a critical moment that workers from different ages, genders, original places and skill levels acted together to voice their collective



interests. This moment, however, is a historical 'happening', borrowing a term from Thompson (1980: 10) referring to working class formation, with various political, economic, and cultural factors acting together. For the Sun factory, this moment came in 2004.

During this moment, workers were united on the basis of law to request the implementation of the minimum wage rate. However, the wage or immediate economic interest was not the sole aspiration of the workers. For example, workers' high profile appeal for the return of their representatives was not only a strategy to attract public attention but also a sign of mature consciousness. Although the workers' wage rate was increased, their aspiration to retain control over work remained unresolved, and their discontent was rising even though the wage had been enhanced. As a consequence, the strike ended, but the struggle between management and workers over the control of production never stopped.

### **New Control Mechanism**

The factory's first attempt at rationalization by better attendance control encountered dramatic resistance, but their effort to lower the production cost, increase efficiency, and take power from the technical and supervisory workers never stopped. The implementation of the minimum wage rate and later contribution of social insurance undoubtedly increased the production cost. The factory then exploited a series of new strategies to lower costs.

First, part of the production was relocated to the new factory in Hui Zhou, where both market and legal wages were lower than in Shen Zhen, and outsourced to small factories in the village, where labour law was not well enforced. According to

a worker in the painting department, his daily wage on Sunday was fifty-eight yuan, but a worker in a small outsourcing factory in his position earned only twenty-seven yuan. Workers' working hours, therefore, were constrained and working days were reduced from seven days to six days per week to avoid the double pay on Sunday and comply with the one rest day per week requirement of the Labour Law. As a result, although workers benefited from shorter working time, their real income did not change much.

Second, an internal contracting system was set up, where the department superintendents or managers were requested to finish a certain amount of qualified output with a lump payment to their department. While the system gave rise to resistance from workers, piece-rate payment was extended to departments in which time-rate had been operating.

Third, redundant 'false' skilled workers were dismissed or dispatched to inferior posts.

Fourth, the boundary between Taiwanese management and mainland China supervisory teams was broken down by promoting four mainland department superintendents to assistant general managers, and sending Taiwanese staff to be commissioners under mainland superintendents in some departments.

Fifth, the power to recruit workers was removed from the internal department superintendents and personnel officers, by outsourcing the service to an external job agency.

Sixth, the factory tried to increase the output target to push up the intensification of work, along with the strict enforcement of the fines system.

All of the above strategies weakened the concession that workers had gained during the strike and sparked struggles and resistance from the workers. The management-labour power relationship in this factory was, therefore, dramatically reshaped.

### **Workers' Rising Discontent**

Workers' most prominent discontent after the strike concentrated on the intensification of work and strict enforcement of the fines system. The responses from Luo and Wang to my query about their perceptions of concessions from the management surprised me.

Author: To what extent was this factory changed after the big strike compared with the time you began work here?

Wang: Not much change.

Author: But the wage was increased, wasn't it?

Luo: Yes, the wage rate was increased, but no more overtime work on Sunday then, so our total monthly salaries are almost the same. You know, there are four Sundays each month. Hourly rate on Sunday was 6.7 yuan, working ten hours in one day, in this way we lost 260 yuan per month. The increase in wage rate was offset by the loss.

Author: But you can take a rest now on Sunday.

Luo: Yes, but our work is more intensive too. The piece-rate, say ten cents before, was reduced to seven cents now. And so, the target per day was accordingly increased. It is more tiring to finish the target if we want to avoid a deduction from

wages. In my workshop, more than 200 yuan was still deducted from one boy although he had worked very hard.

Luo and Wang were among the most quiescent and passive stratum of workers, I had supposed they were more easily satisfied, but their response showed it was not the case.

Catnapping had been fairly common for night shift workers. In Qi's workshop a line supervisor who snoozed at night was also subjected to a fine after the strike. 'The factory does not treat us as human,' Qi complained with fury. He also felt angry that more than 200 working hours in one month was deducted from the wages of one of his new workmates. 'I asked him to complain to the labour bureau. It is illegal!' He said with a sense of justice.

Based on the experience of the strike, asking for implementation of the Labour Law had proved to be an effective tool to force the LSSB to pressure the management. Fines and deductions from wages drove many workers to make complaints to the LSSB. Guo, a twenty-three year-old worker in the metal department, was one of them. However, he found complaining on this issue was unhelpful. An official told him straight: 'For us working for government, fines are also quite common, not to mention you guys working in the factory.' When the file of complaints had piled up, the LSSB officials came to investigate in the factory from time to time. Usually they would fine the factory from several thousand to several tens of thousand yuan. The factory did not change its misconduct when the economic punishment was insignificant. Guo and his mates found that it was hard to push the issue forward. In fact, the complaints were usually in the form of an



individual or small group of workers' query to the LSSB in person or by phone. Making complaints in this way did not consolidate shop floor solidarity, especially when workers' interests were divided. In fact, the new starters were subjected to fines and deductions much more than the experienced workers.

As the fines system failed to attract the attention of the LSSB, workers sought other legal grounds to give management trouble. After the strike, the wage was adjusted basically to comply with the law, but at least sixty working hours per week was much beyond the legal limit of thirty-six overtime hours per month and forty regular hours per week. However, it was in the interests of workers to work more, so working hours did not become a base for struggle. As mentioned by Qi, in 2001, workers had staged a stoppage against deduction from their wages to pay social insurance. Four years later, workers in Shen Zhen in general were still not enthusiastic about paying for social insurance as money was taken out of their pockets. In the Sun factory, however, social insurance became a common demand in a well-organized collective complaint.

### **Complaint about Social Insurance**

According to the law, migrant workers are entitled to social insurance covering retirement, injury, and medical benefits. In Shen Zhen, the injury and medical insurances were fully paid by the employers, while for retirement social insurance, employers and employees should contribute eight per cent and five per cent of salaries respectively to a fund run by the municipal Social Insurance Bureau. Two per cent of the thirteen per cent was pooled into a shared fund, while the remaining eleven per cent was retained in a personal fund. There was no mechanism to allow

part of the retirement fund to be transferred back to their home counties when peasant workers returned to their villages, constrained by the household registration system (*Hukou*). As peasant workers are only temporarily settled in one city and usually moved between homes and different cities frequently, the policy seriously discouraged workers to contribute and provided an excuse for the employers to avoid social insurance. Accordingly, the law stated that the personal fund could be returned to workers when they quit from a job.

Local governments race each other over the participation rate of migrant workers in social insurance. Shen Zhen was always proud of itself as the first city to introduce social insurance for migrant workers (as early as 1992) and with the highest participation rate in China. To keep the participation rate and absolute number increasing, all levels of government set targets every year for their subordinate authorities. At the bottom of the state hierarchy, the residential district (*Jiedao*) social insurance station, with the help of the community government, would push the factories to buy insurance for their employees. As a response to the state pressure, the factories would buy insurance for part of their workforces so that they could get a certificate from the Social Insurance Bureau. In the Sun factory, therefore, some workers had joined the social insurance scheme while others did not until May 2005.

Again, antagonism was first touched off in the lacquering department. In the face of escalating disciplinary control on the shop floor, a group of workers were said to be planning to quit the factory. One day in May, they went to the LSSB and the Social Insurance Bureau and filed a complaint about the factory's failure to pay

social insurance. Workers threatened that they would ‘drop from on high’ – a typical media-catching form of protest by individual workers over unpaid wages in China – in case the officials did not take their cases seriously. As the complaint was made in a collective form and the legal ground was sound, the two departments responded promptly and the management was forced to post a notice during the day to inform workers that the factory would buy social insurance for all of the workers from May.

The result left workers in the lacquering department little leeway to demand any more. The triumph and the issue of social insurance were then discussed in every corner of the factory. In the metal department, some expressed their feeling of ‘unfairness’ during a tea-time chat among night shift workers. Some of them had worked in the factory for many years, but the social insurance could not be back-dated. Fortunately, a worker told them that workers in an electronics factory, in which his girlfriend was working, had successfully demanded that their factory contribute to social insurance for the previous two years. The good news propelled workers in this department to copy their lacquering department counterparts.

A handwritten sheet was then stuck on the wall of their department, to inform others that they would go to the LSSB and Social Insurance Bureau the next day to demand the previous two years’ social insurance. The next morning, fifty workers from the metal department went to the two departments to file their case. They did not attempt to inform workers in other departments before their departure. I asked Guo why they did not talk with workers in the lacquering department, he replied that he did not know workers there. Moreover, the notice was torn down soon after it was seen by the commissioner. As a result, the fifty strong voluntary ‘representatives’ –

in the term of the workers themselves, although there was no election or selection process – were all from the night shift. In the offices of the bureaux, they were requested to write down their names and were promised by the officials that they would talk with the management. Fifteen days later, the factory agreed to pay insurance fees for the previous two years into the Social Insurance Fund.

A list of the representatives' names in both complaints was sent to the factory. Guo said that the move was beyond their expectation. 'People in both LSSB and Social Insurance Bureau do not really help the workers,' he groaned. After they returned to work, the 'representatives' were denounced by their manager. The factory did not dismiss them, but most of them resigned in December 2005. In fact, the 'representatives' were mostly those who had already decided to quit. And also, those planning to quit had the biggest interest in backdated social insurance payments as they could reclaim them when they quit.

Guo was one of the few 'representatives' remaining in the factory in March 2006 when I conducted interviews with him. Still, after working in the factory for six years, from an ordinary worker to becoming a technician, he also planned to quit soon. He came from the south western province of Yun Nan after graduating from junior secondary school, the Sun factory was the first and only factory he had worked in so far. For the future, he said he wanted to stay at home to farm as it was so 'meaningless' to *Dagong* outside.

### **Department-Based Strikes**

Two months after the metal department workers' complaint about social insurance, a strike, or in strict terms, a collective absence from work, occurred in the department.



The factory was closed on 28 and 29 July 2005 as a result of electricity being out of service. Unusually, the factory decided to make these two days replace the last Saturday and Sunday of August. In other words, workers were requested to work at the weekend but were not entitled to double pay. Workers were informed by their department superintendents of the decision just one day before the weekend. Workers were highly discontented, especially after the overtime work on five consecutive weekends. While the workers grumbled to each other, one of the line supervisors suggested that they should not go to work, adding: 'It's up to you.' Then none of the workers went to work for the two days. In the workers' understanding, the factory's action violated the Labour Law, but if their supervisors asked them to work, they would follow too.

The factory finally dismissed the workshop supervisor from Hu Bei and five line supervisors, two from Si Chuan, one from Gui Zhou, one from Hu Bei, and one from Jiang Xi. The factory then appointed a Hu Bei guy as the new shop supervisor, and three more workers from Hu Bei, one from Si Chuan, and one from Jiang Xi as the line supervisors. On this occasion, the department superintendent from Hu Bei promoted many *Laoxiang* as supervisors. The workshop then became dominated by Hu Bei provincials. The dismissed staff were sacked on the grounds of making mistakes and were denied service severance compensation. The six then filed a lawsuit against the factory for compensation, but finally lost the case.

The case was only one of many department-based strikes that happened after the 2004 strike. Almost at the same time as the metal workers' refusal to work, a stoppage happened in the aluminium processing department to demand a higher

environment subsidy. The strike was pushed by a group of veteran workers who had worked in the factory for more than five years. Workers sat beside the production line, but refused to perform work. The factory then directed the department superintendent to negotiate with the workers, who returned to work one hour later, after obtaining a promise from the superintendent that their environment subsidy would be raised by sixty yuan per month. Following the aluminium processing department, a similar wildcat action took place in the casting department. In August 2005, another department-based strike happened in the painting department. Workers had to pay thirty-five yuan for an annual health check organized by the factory. Workers in the painting department believed that it should be the factory's responsibility to pay for that check, especially in their department where the working environment was among the worst. After the mediation of the administration officers, the factory declared that the charging policy was abolished for the whole factory.

### **Drop from on High**

Dismissal of the six supervisors in the metal department was one part of a deliberate assault on the stratum of skilled and supervisory staff rather than a special case. From July 2005 onwards, many cases of veteran workers being fired without compensation or being forced to quit the factory happened in almost all of the departments. According to the law, the factory should pay severance compensation equivalent to one month's salary for each year's service if the factory fired workers before the end of a contract without reasonable grounds. As already noted, workers who did not properly perform their duties were those who had worked in the factory for many years and had gangster connections. Therefore, dismissal was just one of

the management's strategies to cope with the slacking or fraud of some 'skilled' workers. In some cases, the factory attempted to transfer them from simple and light skilled posts to perform physically heavier and more routine tasks, in the hope that workers would resign by themselves. While stricter enforcement of the fine and wage deduction system affected mainly the ordinary workers, the dismissal or transfer measure targeted the interests of workers in skilled positions. The move then encountered severe resistance from those affected. In the face of escalating pressure, the attraction to work in the factory was withering, so many of them had prepared to leave the factory. They bargained with the management, on the grounds that the unilateral change of the nature of work by the employer is equivalent to an act of unreasonable dismissal in cases where employees do not accept the change, and thus demanded service severance compensation. The factory, however, insisted it had the right to move workers, and rejected compensation claims.

While some workers chose the legal procedure to claim compensation, others utilized a more radical strategy – threatening to drop from the top of the factory building.

The first case involved seven workers from the lacquering and painting departments who climbed to the roof of the factory and then called the newspapers and the police. Reporters, police, ambulance service, and LSSB officers arrived at the factory, and the factory paid a certain amount of compensation. From July to September 2005, there were at least four similar cases involving groups of workers in the departments of lacquering, painting, aluminium processing, and casting. In one of the cases, the workers chose the day on which the auditors from a key

customer came to perform an audit in order to exploit an extra source of pressure on the management. However, when the strategy became an epidemic among workers, both the management and the state could not tolerate it any more.

One day in September, a group of workers from the aluminium processing department who were on top of the building were told by the management that any condition could be negotiated if they would come down. But once down they were arrested by the police and detained for fifteen days on the allegation of 'disturbing the social order'.

### **The Wave of Resignations**

From October, the newspapers began widely reporting a social insurance reform, under which only the part of the contribution from employees themselves could be put into a personal fund from 1 January 2006. The policy, if applied in the case of Shen Zhen, meant that workers could only take back the amount equivalent to five per cent of the salary, rather than eleven per cent under the current system, when they quit from the job. Yet as an SEZ, Shen Zhen enjoyed an autonomy overriding the national administrative measure. In neighbouring cities like Guang Zhou and Dong Guan, there was a wave of resignations in order to get back a higher proportion of the social insurance. As a result of their influence, workers in Shen Zhen also began to quit from their factories. The Shen Zhen city government then announced that they would not introduce a similar policy in the foreseeable future. The promise, however, could not eliminate the worries of workers. By contrast, an even larger scale of quitting arose in Shen Zhen, as the number of workers entitled to social insurance was greater than any other city. According to the official figure at



the end of September 2006, the number of migrant workers in Shen Zhen enjoying the protection of retirement, injury, and medical insurance were altogether more than thirty per cent of the overall national figure (*Shen Zhen Shangbao*, 20 October 2006). The proportion of the personal fund over the total contribution in Shen Zhen at that time was also higher than any other city. In Guang Zhou, for example, only eight per cent of the salary was put into the personal fund, three per cent lower than in Shen Zhen. If the new policy were implemented in Shen Zhen, the cost to workers would be higher than in other cities, and so their response was more dramatic.

The uncertainty about social insurance further shook up the vulnerable labour relations in the Sun factory. On 26 October alone, three hundred workers applied for resignation. As a common practice in the region, the application was only valid after the personnel department formally approved it, although the law stipulated that workers had the right to leave by giving advance notice of one month. Workers who left without permission from a factory, with advance notice or not, would suffer from retention of their wage. First, the management deterred workers' applications by claiming that the managers were on leave and no one had the authority to grant approval, or they could not approve so many workers to quit at the same time. The deterrence of workers' applications further created an atmosphere of suspicion and nervousness. By the end of November, applications had built up as high as 3,000. The factory then recognized that a wave of outflow was inevitable and began to recruit an abundance of workers through a job agency and announced three dates when leaving certificates for workers would be granted. A long queue appeared in the factory on the three days while thousands of workers waited for a certificate to

regain personal social insurance funds. Qi was one of the thousands who quit the factory during the wave, but he returned to this factory two months later.

Author: Why did so many workers quit the factory?

Qi: For some veteran workers, they could take back 7,000 to 8,000 yuan [from the Social Insurance Fund]. Moreover, they could get another job as easily as just one day after they left this factory. If you wanted to find a job in smaller factories in the village, it was not hard at all. Some of us also wanted to go back home for New Year. It was ideal to go back home earlier and start job hunting after the New Year.

Author: Were there many people just like you, returning to work here again after trying other factories?

Qi: Yes, many workers did that, hundreds, I think.

He earned 1,500 to 1,600 yuan per month before leaving the factory in December. His wage was higher than the average level of 1,200 to 1,300, as he had spent seven years there in the department and had become very experienced. But still, he was seeking a better life: 'I had never left the Sun factory since 1999, so I wanted to try a new job, a better one. I also felt that working hours in the Sun factory were too long'. After he left, he went to a big printing factory in the surrounding area, where he was responsible for paper cutting and earned 1,200 yuan per month. He quit after one month, as he was more tired and lower paid there. Then he went back to his home village, where he found only the children in school and the retired elderly remained, and finally returned to the Sun factory again. Compared to the less skilled workers, he was lucky, as it was the factory policy that workers who quit from the factory were not allowed to rejoin within half a year, but for skilled and

experienced workers there were always special arrangements. However, before he quit the job, he was entitled to 120 yuan of skill and seventy yuan of environment subsidies; after he returned as a new worker, there was no subsidy, although the superintendent promised that 100 yuan of skill subsidy would be resumed for him if the internal contracting was not implemented.

Worry over losing the Social Insurance Fund money was the main reason leading to such a huge wave of quitting. Although there was a repeated guarantee from the city government that their policy would not change, for workers it was more secure to put money in their own pockets. But for workers like Qi, their resignation was not only for money. Although wages were reduced, Qi did not regret his decision to quit. 'I wouldn't be satisfied, if I didn't try work in other plants,' he said.

For many unskilled workers who quit in the wave, their decision was based on false rumours that were spreading among workers at the time. A twenty-eight year-old woman who had worked in the plastics department said that she resigned because two-thirds of workers in her workshop had applied to quit, and she had seen on the TV that the Shen Zhen mayor had said that the social insurance could not be refunded after 1 January 2006 and the new policy would be sustained for ten years without change. She was surprised that workers could continue to apply for the refund after the date. I explained to her that she had misunderstood what the mayor had said. But she still insisted that what she had seen on TV was true. Luo and Wang, on the other hand, chose to stay at work although so many of their workmates had quit. They presented a different conception of life despite similar family pressure.

Author: How many workers in your department quit from the factory last year?

Luo: Two-fifths.

Wang: Around half.

Author: Why did so many workers resign even though your wage rate was increased.

Wang: To get back the social insurance.

Author: How about yourself, why did you not follow them and resign?

Luo: Having social insurance or not doesn't matter. Having a job is already nice for me. So I did not leave.

What made Qi so different from Luo and Wang was age, skill level, market position, and gender. Workers like Qi could more easily get a new job. This accounted for their voice and confidence. Luo and Wang's pessimistic adjustment to the workplace relations of 'not much change [of working conditions]' and 'workers in protests were all sacked', can only be understood in the context of their working and life experiences. Family pressure, inferior economic status, bottom position in production, and experience of being bullied by gangsters, all helped the construction of a negative world-view and obstructed their confidence to act. To put it directly, as soon as Luo's family economic pressure was removed, he had a high potential to participate in actions against the management, although he chose to stay at home during the strike.

### **Resistance to Internal Contracting**

On the surface, the threat of social insurance reform accounted for the huge wave of quitting, but workers' determination to leave was a response to the factory's repeated effort to undermine the autonomy of the skilled workers and supervisors at



work and intensify the work process of the ordinary workers.<sup>47</sup> The plan to introduce an internal contracting system was another example.

From late 2005, a rumour about internal contracting spread among the workers. In fact, a similar but more radical plan had been carried out in the previous mould department, now one of the outsourcing factories supplying moulds to the Sun factory. The department became a joint venture of the Sun factory and a local partner. The original mainland department superintendent became a sub-contractor of the small factory. Under the system, the Sun factory granted the contractor a lump sum fee to cover workers' wages and her or his own profit, while assets were still provided by the Sun factory. The contractor, in turn, guaranteed the delivery timing and quality of the output as stipulated in the contract. Under this system, the common interests of superintendents, supervisors, skilled workers, and gangsters would be eroded, by putting the department superintendents into conflict with their subordinates. The first to implement this system was the warehouse department, where the number of workers was small. The system was planned to be extended to all departments from 1 April 2006.

Tension on the shop floor escalated as the time for the new system approached. Department superintendents began to keep a close watch on production efficiency. Supervisors were under pressure to exercise stricter control, and workers were requested to work faster. More importantly, deception by supervisors and skilled workers was seriously constrained. According to Chen, in the metal department: 'If you listened carefully in the middle of the night in the old days, the sound of the

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<sup>47</sup> A similar phenomenon happened after a strike in the Moon factory in 2007, as will be presented in Chapter Six, although there the concern was not for social insurance. But the concerns of work intensification and autonomy were exactly the same in the two factories.

machines was a rhythm, one by one, not noisy at all, showing that not many machines were in operation. Now it is very different, all machines are running.' Chen usually woke up at 3.00 a.m. to take a look at the records, if the number of breakage reports was small, he would continue sleeping. At 5.00 a.m., he got up and fixed the machines in one hour, and then got off work at 6.00 a.m. The more machines operated, the more the number of breakdowns and demand for repairs, meaning more work for the technicians. Guo recalled the old days: 'If a machine broke down at 3.00 a.m. and the workers' total output was less than the requested target, then the line supervisor would report that the incident had happened at 1.00 a.m. and the machine was fixed at 6.00 a.m. They [line supervisors] wanted to have fun too. Nobody wanted to work hard. Less output was the business of the factory, not theirs.' But then the line supervisors became self-censoring as the output of their line would be linked with the profit and interest of their boss or patron, the department superintendent. As a result, no matter whether their relation with the superintendent was good or not, all of the workers faced pressure. The new initiative forced many workers in skilled positions to resign en masse.

When Chen resigned, their superintendent tried to retain him with a promise of raising his skill subsidy to 200 yuan, as the department's newly employed technicians' salary was higher than his, while their skill was not. The superintendent also added that he could further increase Chen's salary as it was up to his discretion after the contracting. But Chen refused: 'I had worked there for four years and he had not increased my salary so far although it was the factory's money. I could not trust him to increase my salary with his own money.'

Some departments also reported further reduction of the piece-rate system to prepare for the implementation of internal contracting. However, the contracting system was not implemented in the end. Wang and Luo told me the situation.

Author: When did the piece-rate reduction happen?

Luo: Last month [March 2006]. It was because the factory planned to introduce a system of contracting from this month. But now no one mentions it. We don't know finally whether this policy will be implemented or not.

Author: Wang, how about your department? Did you hear of the contracting policy?

Wang: I heard of that before, but recently no one talks about it any more.

Before April, workers, especially the stratum of skilled workers and supervisors, began to discuss the new system and its possible effects. Many workers predicted that it would spark more strikes if it were really implemented. Others said that it would be hard to put into practice. A workshop supervisor, for example, said in a casual talk with his *Laoxiang* and previous workmates in the workshop when I was there:

To achieve success, there should be multi-level sub-contracts where the factory contracts to the department superintendent, and the superintendent contracts to the workshop supervisor, and then the line supervisors. Otherwise, it won't work, as if only department superintendents have interests, they won't get support from the supervisors.

Failure to gain the support of the supervisors and skilled workers was one of the reasons accounting for the failure of the plan. But the termination of the project was directly caused by a strike in the assembly department. There were two superintendents in the department, one based in each of the new and old plants. The previous superintendent in the old plant had been promoted to assistant general manager in 2005. A conflict of interests arose among the three, according to workers. The factory's proposal was to make the assistant general manager a contractor so that production in the two plants could be better co-ordinated. A few days before the contract was planned to be executed, a whole day's strike took place in the old plant. After this strike, the plan for the internal contract was formally withdrawn from the table for the whole factory.

The strike caused the department superintendent in the old plant to be removed, and the superintendent in the new plant to take care of the old plant as well. As described above, workers in the most labour-intensive departments, including assembly, were paid by time-rate. As an alternative to the internal contract system, the factory planned to introduce a piece-rate system in the department from September 2006. An experiment was first conducted on a production line in the old plant before being extended to the whole department. I talked with two workers in the department in mid-August 2006, a woman and man in the new plant, on their perception of the new system.

The woman worker seemed to have little idea of the new system. She said she heard piece-rates would be implemented from the next month, but she did not have personal preference as both had 'merits and drawbacks'. But the young man in the



old plant, although having been working in the factory for only half a year, commented in this way:

Worker: Workers won't agree with it. It is piece-rate, for example, if you've done 300 pieces today, you only get paid after the 300 pieces have been delivered to the customer, and quality proved OK. There is huge pressure.

Author: Did the factory talk these things over with you? For example, how and when the piece-rate policy would begin?

Worker: Not at all.

Author: Then, will you talk with your supervisors if you disagree with the piece-rate measure?

Worker: No. Disagreement will lead to a strike. If the piece-rate is really put in force, I will stop work.

According to him, the management in this factory was less strict than any other factories he had worked in before, for example workers were allowed to talk when working. Striking was always a popular topic in workers' chat during or out of work. I asked him how he knew about the big strike in this factory in 2004. He replied: 'You are joking. Everybody in this village knows about that. People were always talking about it.'

After getting to know that the contracting system had been retracted, Chen showed great regret: 'If I knew there was no contracting, I definitely would not have left. Even though the salary was not increased, it was a good job, because the management was very lax, we had fun at work every day'. I suggested that he talk with his superintendent, as he might be pleased to re-employ him. But he said: 'It

was him who begged me to stay on when I resigned, but now I should beg him? No way, I don't beg.' He was offered a job in a metal factory with a salary of 1,800 yuan, 300 yuan more than his previous job, but he did not accept the offer as the post required him to commute among the three plants of the factory. 'It is more exhausting,' he said. Then he went back home to visit his family in April. Regarding the future, he said his brother who was working in Zhe Jiang province had asked him to work there too. He would try, but if unsatisfied, he would come to Shen Zhen again: 'It is not hard at all to get a job if you have skill. What matters is only if the job is tiring or not.'

### **Outsourcing the Recruitment Service**

Responding to the huge wave of quitting, the factory held a recruitment campaign through a private job agency. There were banners stating 'The Sun factory is recruiting a great deal of ordinary workers and skilled workers' outside the walls of the factory, beside the main road of the village and around the agency throughout the year. In fact, job agencies, run by local government and privately, have rapidly proliferated in recent years following the rise of the shortage of migrant workers. The traditional way of posting a notice outside the factory was not enough to attract enough workers. The delay of the Sun factory in using a job agency might be explained by its comparatively better working conditions. However, outsourcing recruitment also evidenced an effort of the management to introduce a modern and scientific management by removing, or at least weakening, the power of the local supervisors to control the personnel and build up their own status in the workplace.

A special counter was set up for the Sun factory in the job centre and staff used an amplifier to ask people to talk with them. When I visited the centre in March 2006 and approached the counter, the first thing they asked was: 'Where are you from?' I replied: 'Guang Dong. Is the place of origin so important?' The staff said that the factory would not employ workers from BJ county in Gui Zhou, and NY county in Si Chuan, which were both notorious for gang activities in the village. Workers said that the factory tried to exclude all of those from the two provinces soon after the strike. But without workers from these two provinces, they could not find enough workers. Then the scope was limited to only these two counties.

The worker was requested to fill out a form. The forms were first scanned by a member of the agency staff, who paid special attention to work experience. She or he was then transferred for a brief interview by two factory staff. The staff distributed two more forms to be filled in by candidates. After finishing the forms, candidates were asked some simple questions, and then, if satisfactory, were told to go to the entrance of the factory at 9.00 a.m. the next day to wait for the result. There were a total of sixty-seven workers who passed the interview, roughly half men and half women.

The next morning, some workers came to the factory as early as 7.00 a.m. Some were visiting the factory for the first time. A group of three young women, after consulting the current workers about the working conditions and seeing the obsolete old plant, called back the agency to take back the 300 yuan introduction fees, as they felt the work would be too hard for them. The agency replied that they were not allowed to take back money but could try other factories. One of them from

Guang Dong, said that she knew she would be sure to be admitted, as her friend who 'worked inside' had asked her to apply. At 9.15 a.m. a notice was posted with sixty-seven names that meant no one had lost out. However, a middle-aged man grumbled with the security guards that he could not find his name. The security guard checked the internal record and excluded the possibility of typing errors. Then the worker strongly believed that he had been picked out by someone for not attending the interview, but being admitted into the factory by knowing 'somebody inside'.

After a half-hour briefing on the factory regulations, the workers were divided into male and female groups, each of which was led by a supervisor to tour the factory facilities. Work duty was assigned after the visit. Workers discussed with each other which department's work was the heavier. I talked with some of them on the way from the old plant to the new plant. It seemed that many workers already had a good understanding of the structure and work culture in the factory through their friends working inside. In the afternoon, they were requested to conduct a health check in a town hospital to obtain a health certificate. The Guang Dong woman who was assigned to the plastics department told me when I met her again some days later that around forty workers finally turned up to work the day after.

That meant more than twenty workers either did not go to the factory or decided to quit after the factory visit. The same exercise was repeated throughout the month, with workers in and out. However, although such a large-scale recruitment exercise was under way, the total number of workers declined, due to a high resignation rate of both old and new workers and the dismissal of unskilled old workers at the end of their employment contracts. The factory also moved some of



the machines and equipment to the new factory in Hui Zhou, where the salary was much lower.

### **State Policy and Wages**

After the outbreak of the strike in the Sun factory and other serious labour disputes in the region, new policies were adopted by the local government to stabilize labour relations. At residential district (*Jiedao*) level, a government document, especially pointing to the Sun factory strike, showed how their measures effectively combated labour unrest.

On the one hand, propaganda was carried out among workers under the slogan ‘When protecting rights don’t forget obligations; protecting rights must follow the law.’ (*Weiquan Buwang Yiwu, Weiquan Bixu XunFa*). 15,000 copies of booklets on labour laws and regulations were distributed among workers. Promotion notices for ‘a labour dispute administrative compliance guideline’ and an ‘unpaid wages hotline’ were installed in all communities, industrial zones, and enterprises with more than 200 workers. The guidelines suggested that unauthorized assembly, demonstrations, rallies, and strikes were illegal. Workers were encouraged to make complaints, but this should be done through representatives, and could not bypass the lower level of administration (*Yueji Shangfang*). On the other hand, systematic monitoring was directed at factories with unstable labour relations. An ‘engagement mechanism for labour dispute prone enterprises’ was established to persuade factories to comply with the law. Following a thorough and in-depth investigation, all of the 2,000 factories in the town were categorized into four groups: red, yellow, blue, and green. The most dangerous factories were subjected to special monitoring.

The fifty-two strong official team in the town labour station was retrained in labour laws and state policy. Each official was responsible for monitoring a certain number of factories. As a result, 2,286 complaints were filed by workers to the station from January to July 2005. Compared with the first seven months of 2004, the number of serious labour dispute cases was reduced by sixty-five per cent, and enterprises that seriously violated the law lowered by eighty-six per cent. The new measures accounted for the prompt and proper handling of the Sun factory workers' complaints against the factory.

At the city level, among others, the minimum wage rate was increased at an unprecedented rate. The minimum monthly wage was increased from 480 yuan to 580 yuan on 1 July, 2004 and further to 690 yuan one year later.

Management used different strategies to deal with the rise of the minimum wage. Some medium-sized factories adjusted wages, but charged more for accommodation and catering fees. Small factories, many of which existed in the village, did not obey the law at all. The Sun factory and some other big factories in the village were among the best cases that adjusted the wage levels according to the new rate.

In August 2006, when workers received their July wages, some ordinary workers found that their pay had never been so high before, as much as 2,000 yuan. Summer was the factory's peak season. As there were not enough experienced workers, workers were requested to work on Sunday and only had one rest day per month. The work schedule was similar to early 2004, but their salary was almost double the level before the strike.

### **Establishment of a Superficial Trade Union**

One day when I had lunch in a restaurant with Xiao Lin, Chen, and Guo we talked about the problem of fines in the factory. Guo talked about the trade union. Workers in the lacquering department, after the social insurance complaint in 2005, had initiated a signature campaign to demand a trade union in the factory, but the three all agreed that without the support of the management, it was difficult for a trade union to function successfully. Chen added that it was necessary to form a real trade union in the factory to defend the workers' rights: 'Without a labour union to represent workers, it is very hard to do things (*Hennan Gao*). After you make trouble for the factory, the factory will make more trouble for you.' Guo emphasized workers' limitation in understanding the labour ordinances: 'We have absolutely no idea of how a trade union can be formed according to the law, and what it should be. We went to ask for information from the labour bureau, but it was useless. They did not help workers.'

None of them had any idea of the development of trade unionism after the lacquering workers' campaign. But further investigation showed that a trade union had been formally set up in the factory in 2005. The trade union, however, was totally management controlled, involving no election and no union activity. In fact, the workers did not even know of its existence. Limited information about the trade union was from a line supervisor who had worked in the factory for ten years, a worker who was responsible for driving the Taiwanese manager, and a security guard who had worked in the factory for seven years. They said that the formation of the trade union was a response to pressure from the workers. The security guard said:

‘The factory had no choice but to follow the demand of workers. They were afraid of a workers’ strike in fact.’

### **Legacy of the 2004 strike**

The Sun factory was just one example of the wave of strikes from 2004 to 2005. During my stay in the city from September 2005 to August 2006, striking had become an effective way of expressing grievances in workers’ collective memories. As shown in this case, the wave of strikes dramatically reshaped the workplace relationship and exerted a significant impact on the local state regulation strategy. The locality- and gender-based ‘despotic’ labour regime (Lee, 1998) was challenged by the workers during the strike and rank-and-file workers rose to be key players in industrial relations through their collective actions.

Although one of the main priorities of the party state was to keep proper social order and legitimacy to rule, their leverage had been handicapped by the reluctance of the local state officials, who preferred to maintain a favourable investment environment to implement the labour law and regulations (Lee, 2007 a). As this case shows, it was workers’ actions that forced the local authorities to make the concessions of improving labour protection, for example, raising the minimum wage rate and better monitoring of the illegal labour conduct.

Pressure on the management was twofold, coming from workers disrupting production, on the one front, and the new legal requirements by the state on the other. Both factors worked together to make wage and production costs rise. As competition in the global market over price was intense, new business and



management strategies, e.g. production relocation, outsourcing, proposed internal contracting, and new recruitment practices, were adopted to sustain profitability.

In the face of the new state policy and management strategy, workers also changed their struggle strategies. In fact, workers were more vocal and tactical after the strike. As can be seen, protests after the strike were very flexible, creative, and brisk, from a series of individualistic resignations and media-catching actions to waves of collective administrative complaints and well-planned strikes. As Edwards and Scullion (1982) suggested, quitting is a form of industrial conflict if we put it into the context of unsolved workers' grievances. To be sure, workers' discontent was not born during the strike, but embedded in a coercive day-to-day labour process. However, without a 'culture of solidarity' consolidated in a strike (Fantasia, 1988), the discontent was not well articulated as a collective form. As soon as it was voiced, it would encourage further actions in their workplace and beyond. In the following section, I am going to elaborate how the 'culture of solidarity' was also transferred to the new plant of the Sun factory in the city of Hui Zhou.

### **The New Subsidiary Plant: the Endemic Effect of Strikes**

Striking has become endemic. The epidemic also affected the new plant in Hui Zhou. Workers take strikes very casually. A little incident can lead to a strike. As soon as the old plant strikes, the new plant [in Hui Zhou] follows too.

Dong, a supervisor in the Hui Zhou plant

Dong, aged 33, from Si Chuan, was a workshop supervisor in the metal department in Hui Zhou. He had been a line supervisor in the old plant. He was among the 300 skilled workers and supervisors who were transferred from Shen Zhen to work in the new plant in 2004. They were all promoted to higher positions or paid with extra subsidy as a reward for working in a remoter area. In Shen Zhen, Dong's basic wage and subsidy was 1,200 yuan, overtime wage was around 500 yuan, and so total income per month was 1,700 yuan. After he was promoted to workshop supervisor in Hui Zhou, his subsidy was increased by 400 yuan and his basic wage was then 1,600. But as his overtime pay, which was calculated based on the minimum wage rate, was only 400 yuan or less in the new factory, his total salary was then 2,000 yuan.

### **Portrait of the New Factory**

The new factory grounds were fenced within an area of three square kilometres. The factory bought – or more precisely rented for a period of thirty years – the land from the local village.<sup>48</sup> The village, with rows of newly developed multi-storey houses, lay beside the factory. The nearest town, with 20,000 residents, is two miles away. Between the village and the town are farming fields except for the existence of the factory complex. Hui Zhou is adjacent to Shen Zhen, but the average price of industrial land was fifty to sixty yuan per square metre in the area, compared with 300 yuan in Shen Zhen. The city government granted a three-year local tax exemption for all new investors, while in Shen Zhen the policy was a two-year

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<sup>48</sup> It is illegal to buy and sell land in China, but reform has made it possible to buy and sell a lease to use land.

exemption and then three years half discounted.<sup>49</sup> The minimum wage rate was 410 yuan compared to 580 yuan in Shen Zhen. The lower rent, tax, and wage standard attracted many factories in Shen Zhen to relocate all or part of their production to Hui Zhou.

A main road separated the industrial estate, leaving the administration building and workers' dormitories on one side, and the production buildings on the other. An estate of superior accommodation was under construction for Taiwanese staff in March 2006. The whole developed area covered only one-third of the whole of the fenced territory.

The physical condition of the plant was much lighter, cleaner, tidier, special, and fresher than the Shen Zhen plants. While the old and new plants in Shen Zhen were four and five storeys high, the production lines in Hui Zhou were all situated in six to seven metre high single floor buildings with energy-saving glass ceilings, except for the front part of the main workshop hall, which was separated into two storeys. The upper floor, from where one could overlook the ground floor, was settled with administrative and R&D department offices. Like the Shen Zhen plants, the names and photographs from the department managers to line supervisors were shown on the shop floors.

But unlike Shen Zhen, more decorations on the wall promoted teamwork and industrial safety, such as a slogan to remind workers: 'Paying no attention to safety is like killing a hen for its eggs!' and a painting with a group of smiling young

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<sup>49</sup> The information is from an interview with the owner of a medium-sized factory in the town of Bu Ji, Shen Zhen, close to the territories of Hui Zhou, in May, 2006. The owner told me that the Hui Zhou government often invites factories in Shen Zhen to relocate or set up a new factory in their city.

workers bearing the slogan: 'The most enthusiastic team services our customers with the most sincerity.'

Working schedule and the requirement to make attendance records when going on and off work were the same as in Shen Zhen, although workers in Hui Zhou swiped an electronic card rather than punching a card, but the disciplinary control was much stricter. Workers lined up for collective gymnastics exercises on the open ground floor prior to 8.00 a.m., then walked into the workshops applauding and handed in their passes to their supervisors at the entrance. Workers queued up and applauded again to take back their passes when they finished work. The Taiwanese managers described the applause as 'to encourage with love'. Night shift workers were not required to do gymnastics, while the other procedures applied.

It was basically compulsory to live and eat at the factory, with a deduction of thirty yuan for accommodation and 190 yuan for catering per month. Twelve workers, normally from the same department, shared a dormitory room. Prior approval from the workshop supervisors was necessary if workers applied to live outside the factory, while workers in Shen Zhen only needed to inform the factory when they moved out of the dormitory.

Unlike their counterparts in Shen Zhen who were allowed to sit, workers in the departments of assembly and processing stood during working. There were some fixed benches available for non-working time on the shop floors. In the metal department, chairs were provided only after workers complained about the difficulty of operating the machines because of standing for a long time.



## **Technology and Assembly Line**

The machines were all new and imported from Taiwan or Japan. By contrast, most of the machines in Shen Zhen seemed obsolete, although the factory had begun to replace some of them with the same models as in Hui Zhou. For instance, in the metal department of Hui Zhou plant, the machines run faster and were installed with an autonomic switch and a protective transparent cover to avoid crunching fingers. In Shen Zhen, however, the accident rate in the department was extremely high; the factory was at the top of the industrial injury blacklist announced by the Social Insurance Bureau.

In the assembly department, a Taylorist production line was introduced. In Shen Zhen, workers sit in a row, facing other's backs, with boxes on one side to fill up with finished and semi-finished products. In Hui Zhou, workers stood face to face with a belt moving the parts in between. In other words, while workers in Shen Zhen could still control the working pace, their counterparts in Hui Zhou were embedded into the pace of the moving belt.

The most radical change was in the plastics department. In Shen Zhen, workers, who sit beside the machines, opened a barrier in the machine at the end of a compression move to take out a shaped plastic product with a clip and then put it into a box. When full, the box was moved to another location for further processing. In the new plant, however, the whole workshop was integrated into an autonomic line, and robotic arms took the plastic parts from the machines and placed them onto a moving belt. Workers sat on both sides of the belt to process the plastics

simultaneously. The workshop supervisor said the new technique could save one-third of the labour force in the department.

### **Recruitment and the Labour Force**

Despite the automation, the new factory could not recruit sufficient workers. In the plastics department, for example, workers I saw were unable to process all of the products moved by the robotic arms, so boxes of plastics were put aside to wait for processing.

In the same way as at the Shen Zhen plant, a promotion banner hanging outside the factory read: 'The Sun factory is recruiting long-term female ordinary (low-skill) workers (*Changqi Zhaopin Nu Pu Gong*). The difference was the banner in Shen Zhen stipulated male and female ordinary workers and skilled workers, but the new factory specifically stated 'female ordinary workers'.

There was a total of 4,000 workers in the new factory in March 2006. The gender and age composition of workers in the plant was apparently different from Shen Zhen. There was a much higher proportion of women and younger workers, and the majority were between twenty and twenty-five years old. A small number of those older than thirty were either supervisors and skilled workers transferred from Shen Zhen, or newly recruited male skilled and female ordinary workers. In the plastics and assembly departments, almost all of the workers were female while supervisors were all men. Among 200 day shift workers in the plastics department, there were only fifteen male workers, with eleven in one workshop and four in the other.

The Shen Zhen plant recruited workers through a local job agency, but the new plant did it through labour service departments (*Laowu Bumen*) and mid-level professional schools outside Guang Dong province.<sup>50</sup> While it had been prohibited in Shen Zhen, the new plant still recruited workers directly from those who read an advertisement and walked in to apply there and then. *Guanxi* (personal relationship) was still a prevalent channel of admission into both the Shen Zhen and Hui Zhou factories, and was known about in Shen Zhen by hidden corruption of supervisory staff; in the new plant, however, the factory encouraged current workers to introduce friends. In Shen Zhen, the factory pre-empted, at least part of, workers from Si Chuan, but the discrimination did not exist in the new plant. As a result, the number of Si Chuan workers had declined in the Shen Zhen plants, while the province still supplied the largest number of workers to the new plant.

All of these differences showed that while the old plant faced an inadequacy of skilled and experienced workers, with a surplus supply of unskilled workers, the Hui Zhou plant suffered from shortage of even unskilled ordinary workers. The automation, Taylorisation, and rationalization were all responses to the 'shortage of labour' and rising labour cost.

### **Old Factory in the Eyes of New Workers**

In the eyes of the new factory workers, the old factory in Shen Zhen was a paradise which had higher wages, shorter working hours, higher status, more chance for fun, more open-minded people, and a comparative axis for grumbling over their current conditions.

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<sup>50</sup> *Laowu Bumen* refers to a purpose designed government institution based in the LSSB to facilitate the outflow of migrant workers. Usually the institutions in inland provinces sign contracts with large enterprises in the coastal cities to supply labour forces.

After getting to know that I had come from the 'old plant', in the word of workers themselves, a group of nine women and one man, who worked in the same line, called me over to talk with them. They had worked in the factory from between three days to half a year. They said that all of the old workers had left. Three of them were specially outspoken, with their backgrounds as follows:

A: female; thirty years old; joined the factory three months previously from an electronics factory in Hui Zhou;

B: female; twenty-five years old; joined the factory half a year previously from a factory in Shen Zhen;

C: female; twenty-seven years old; joined the factory two months previously from an electronics factory in Hui Zhou.

They understood the situation in the Shen Zhen plants very well, such as, the salary was 300 yuan higher than theirs and workers could take leave on Sunday.

A: If our salary was as high as the old plant, we would not want to work on Sunday too.

B: [joking] Let's go to work in the old plants.

C: The old plants would not want people like us. There everybody is an official.

Author: Did you go back home for the New Year [festival]?

A: No. Very few workers went back home in this factory. We got only nine days of leave.

Author: Why didn't you resign?



A: Many people had submitted application letters, but they [the managers] did not approve. They told us that the manager had gone back home for the New Year already, so no one could grant permission.

Author: Did you give up so easily?

A: But we had no choice.

Author: Actually you don't need their approval to resign. It was your right to resign if you inform the factory one month in advance. In Shen Zhen, many workers go to the labour bureau to file a complaint if they cannot resign successfully.

B: Right. When I worked in Shen Zhen, the labour bureau officials would come to our factory as soon as someone called them to tell them that there was a strike. Here it is so different, no one cared about us when we struck.

Author: When your old plant just began to strike, no one cared too. But then, they went to block the highway, becoming a very big issue, and then officials came. Afterwards, complaining was very effective.

A: Oh, really?

C: But we do not have a highway here. It is a remote village.

B: Shen Zhen is different. There is Labour Law and everything is standardized there. The law here is different.

Author: No. The Labour Law is a national law, applicable everywhere. But the minimum wage rate is different from place to place.

A and B: Really? Is it true?

Author: Of course. The Law was announced by the nation [*Guojia*].

C: Hope you can talk with people in the old plant for us. Our wage is too low.

Author: I only knew workers in the old plant, so it's hard to help you although I hoped I could. How about wages in this factory compared with others in the city?

A: How can I put it? There are factories with higher wages. But there are also some lower than us.

### **Strike and Conflict**

The first violent conflict in the new factory happened soon after its establishment, involving local villagers and the security guards, some of who were transferred from Shen Zhen and others hired locally. The newly constructed road from the town to the factory brought much convenience to the villagers, but the factory guards blocked the entrance from the village to prevent some elder villagers from collecting things from the factory on their way home. The incident caused some local guards to be sacked and replaced by a team entirely from Shen Zhen. The repressive culture of the guards was thus transmitted to Hui Zhou. Meanwhile, through hundreds of skilled and supervisory workers, the culture of violent resistance to the guards was also passed from Shen Zhen to the new plant.

The first factory-wide strike in Hui Zhou took place in December 2004. The strike was touched off by workers in the aluminium department. My interview found that the younger workers in the department aged in their early twenties or less did not understand the process of the strike well. It was twenty-six year-old Bing, a male worker from Jiang Xi province, who elaborated for me the cause, process, and result of the strike in detail. He talked with me in their workshop during lunchtime when their supervisors were away, when I went to the factory with some skilled workers from the Shen Zhen plants to visit their friends who were supervisors in the

department for the time being. Before joining the factory, Bing had worked in three other factories.

There were two canteens in the factory, one for managers and the other for workers. The workers' canteen, which was the workers' only eating place, was contracted out by the factory to a local businessman. In December 2004, workers repeatedly wrote joint signature petitions to the owner to complain about the bad quality of food and demanded improvement.

Several workers from the aluminium processing department complained again to the owner during breakfast time. That day when they were queuing for lunch, they saw that the food was still not improved and were annoyed enough to throw the aluminium food coupons forward and then left the canteen immediately. No one was injured although there was a little disturbance at the scene.

To prevent a similar incident, the next day ten security guards stood by inside the canteen. The food stall always had a long queue. Some workers from the assembly department could not bear the crowding and so pushed forwards. The guards then grabbed three and punched two of them, knocking them down. Workers then rioted, chasing the guards up to a small hill near the factory. Work was stopped in the afternoon for the whole factory.

With a similar role to that of the lacquering workers in Shen Zhen, but in a more violent way, around thirty young workers in the aluminium department ran and broke equipment in various departments. 'The stuff in the administration department was also smashed by us,' Bing told me with satisfaction. In the plastics department,

some workers kept on working at first, but were also forced to walk out after the aluminium processing workers rushed in to smash their equipment.

The more than ten workers from Shen Zhen in the aluminium processing department told their workmates a lot about the strike in Shen Zhen. During the strike, however, it was the locally recruited workers, with backgrounds similar to Bing, rather than the group of veteran workers from Shen Zhen, who broke things. The pattern was remarkably similar to the strategy of workers in the lacquering department in Shen Zhen.

In the evening, the factory announced that the security guards involved were fired. Workers then resumed working the next morning but, however, remained dissatisfied with the quality of the food. In Shen Zhen, the factory immediately terminated the canteen service to avert a similar event.

Bing's account was confirmed by my further interviews with workers in the aluminium processing and other departments. Workers all knew the origin of the strike was in the aluminium department. Just like the highway protest in Shen Zhen, the first strike experience became a hot topic among workers, thus even the newly admitted workers were clearly aware of the issue. After this strike, workers staged many department-based strikes. I interviewed twelve workers and one workshop supervisor in March 2006.

In the Hui Zhou plant, workers' wages were paid basically according to the law. But as the minimum wage rate was comparatively low in this city, workers' income was highly dependent on the double pay of overtime work at the weekend. Workers were generally discontented with low pay, especially when they compared



it with their counterparts in the old plants. Lan, aged twenty-eight, was a worker who came from the Shen Zhen factory. She was not transferred by the factory, but resigned during the quitting wave aroused by the social insurance issue in December 2005. Like many others, she felt very regretful after the resignation, as she was not allowed to go back to the factory. Therefore, she came to Hui Zhou and applied for a post in the new factory. She earned 1,200 to 1,300 yuan per month before resigning for a six working day week. But now working seven days a week only earned her 900 to 1,000 yuan. Lan's story told workers how different the pay in Shen Zhen and Hui Zhou was. Workmates grumbled a lot to each other on the unfairness they were suffering: longer working hours, but lower income. The general discontent with wages, alongside the catering quality concern, underlay the context of the plastics workers' strike. But the workshop supervisor and workers provided two versions of explanation for the immediate cause of the strike, which were complementary to each other.

The strike began on the last Friday of March 2006. As there had been no work on the previous two Sundays, workers were nervous about the coming Sunday. Since the factory still had not informed them that there would be work on the Sunday, workers in two plastics workshops walked out together to the open space outside the workshops. Workers said that they did not stay within the shops, because 'it was easier to be persuaded to [go back to] work' in there. Workers requested the general manager to come to talk with them. But the general manager did not appear, instead the Taiwanese department manager was responsible for negotiation with them. The manager asked the assembled two hundred workers what they demanded. A woman

who had worked in the factory from its establishment spoke out: 'Our wage gets lower and lower. Now there is no overtime work on Sunday, so our wages cannot be more than 800 yuan. Furthermore, 220 yuan is deducted for dormitory and food, but the food was disgusting. What is "to encourage with love"? Are all of these called love?' The manager was angry with her: 'You are dismissed.' She replied: 'OK. I don't want to work any longer too.' She left the factory in the evening. Other workers then did not speak any more, just kept silent outside the workshops. On Saturday, workers stayed in the same location. The factory was worried that the strike would spread to other departments, so a notice was posted stating that there was not enough work in the plastics department, so the department was closed for one day. However, on the Sunday morning, workers still gathered in the same place. The managers and supervisors arrived to persuade them to go back to work, but were totally ignored. At 10.00 a.m., the factory posted a notice stating that there would be work every Sunday in the plastics department, and even when there was not sufficient work, workers would rest in shifts only. Workers then returned to work.

In the beginning of my informal interview, workers always insisted that there were no leaders in the strike and denied that the outspoken woman was a leader. They said that the woman had prepared to quit the factory and that was why she dared to speak out. After I told them about cases of workers in the old plants filing complaints to the LSSB and about the stipulations of the Labour Law, of which they had no idea, the oldest worker of the group of ten workers showed more trust in me. 'He is also a working man (*Dagongde*),' she said to the others. They then revealed that there was a group of workers from two workshops who had initiated the strike,

but emphasized that none of them was among them. They also told me that workers in the lacquering department had tried to follow their strike.

I interviewed two workers from the lacquering department. Both of them well knew the process of the strike in the plastics department. All of the workers in the lacquering department were male. The follow-up strike there was initiated by a group of veteran workers from Hu Nan province who had worked in the department from the first day of the factory. All of the workers on the day shift in the department joined the strike that lasted for a whole Monday morning. The factory's vice-general manager, who was responsible for the operation of the new plant, came to meet them. Workers demanded a wage increase, but the vice-general manager firmly rejected the request by saying: 'It is impossible, as wage adjustment is not a question of only your department. If we increase your wage, then workers in other departments will raise the same demand, and the factory is not able to bear that.' He then tried to persuade the workers to return to work. Most of the workers were convinced and returned to work, leaving eleven veteran workers still on stoppage. They were all dismissed and left the factory at 4.00 p.m.

When I interviewed a workshop supervisor about the cause of the strike, he provided an explanation which seemed to be intentionally omitted by the workers. On the first day of the plastics department strike, one of the two workshop supervisors and the predecessor of the interviewee quit the factory. According to the new supervisor, the workers' action was to show support for their outgoing supervisor. The previous supervisor, from Guang Xi, had been transferred from Shen Zhen where he had been in the same position since 2004. His fixed wage and

subsidy was increased from 1,400 yuan to 1,600 yuan as a reward for the transfer. But as in Hui Zhou the overtime pay was much lower than that in Shen Zhen, so his total monthly income was kept at around 2,000 yuan. The promise to increase his wage had never been realized so far. He was discontented and planned to quit. The whole team of skilled workers and line supervisors in the new plastics department was brought by him from Shen Zhen. The new supervisor hinted that it was his predecessor's intention to stage a strike before he quit. According to the law, an employee who resigned was not entitled to severance compensation. The strike forced the factory to negotiate a secret deal with him, according to his successor. No one knew if he received any compensation, but the factory announced overtly that it was a resignation case. On the Saturday he left the factory, the factory predicted that workers would resume working on the Sunday. Only after workers insisted on not working on Sunday morning was the factory forced to concede to them the Sunday work guarantee.

The old supervisor was highly appraised by his subordinate workers. 'He did not denounce workers. Whenever he saw something unacceptable, he would condemn the line supervisors rather than workers,' a skilled worker said. Workers, however, only gave very vague comments on their new supervisor, who complained to me about the difficulty of managing such a united group of workers.

In the perception of workers, the strike was not successful. Male and female workers were agreed that it was because no other departments joined in. They thought that the strike in the lacquering department on the Monday was too late, occurring only after their strike had ended.



But when I asked why they did not contact each other in the dormitories, workers provided different answers. A female worker said that she did not even know which location another workshop of their department was in, implying that it was not her capacity to do that. A male worker compared it with the 2004 strike: 'Girls are more obedient. You know the strike in the aluminium processing [department], the boys smashed machines in other departments, but we could not do that. We had too few men. We have got only fifteen male workers in the whole department.'

The twenty year-old worker from Shan Xi province had only been working in the factory for three months and had not experienced the strike in 2004 mentioned above. I asked him if he would join in to break the machines if some others did so. He answered: 'Of course I would!' After I obtained information from the supervisor on the role of his predecessor, I returned to ask the workers for confirmation, one reply was: 'If our wage could not be raised, neither could theirs [the supervisors'] and vice versa.'

His monthly income of almost 1,000 yuan was double that of his previous job in Xi An where he had worked for a small private packaging factory. But he still preferred the previous job: 'In Xi An, the work was not as pushy as here. You could take a short break if you liked, no one would stop you. Here we have to work twelve hours per day. Even during the one and a half hours for meals, we are requested to deliver the materials into the workshop. That is not really a rest.'

## Management and Work Culture

With the introduction of a modern production system and stricter discipline, the new factory exercised stricter control over the workers. However, workers' work culture remained loose. Gangsters and original place functioned much less as both subordination and resistance bases in the new plant. A shortage of labour and proneness to strike were two essential factors accounting for the maintenance of a higher degree of control from workers.

I talked with a twenty-two year-old woman worker from Hai Nan in the assembly department. She had been introduced by a group of workers from her home village to work in the factory half a year before. The group of *Laoxiang* was recruited by the factory through the labour service department in their county fourteen months previously, but all had left the factory by then. There were very few workers from Hai Nan in the factory. The minority original place background did not make her quiescent on the production line. When I talked with her, their middle-aged male line supervisor was standing just on the opposite side of the assembly line. I asked her: 'Do you fear him for talking with me?' She replied: 'What shit should I fear? What can he do to us? The worst [thing for him] is [for us] to quit. They find it hard to hire people now.' She showed great discontent towards the supervisor, I asked her if their department had struck after she joined. She said: 'No. Who can lead? If you come to work here and lead a strike, we will follow.' And then she began to talk about the strike in the plastics department about which she seemed well informed.

When I talked with a group of workmates in the plastics department, another worker in another line even came over to join our discussion from time to time. However, the first worker I talked with was a young woman who had worked in the factory for only one month who was more cautious and nervous of my questions. After I asked her about her wage and working hours, she responded sensitively: 'Are you from the labour bureau? If the factory sacked me I would die.' She then refused to answer my questions any more.

In the production technology department, which was responsible for developing models for new products, skilled workers enjoyed even more freedom and autonomy. The department superintendent was currently on leave, and the factory appointed the most senior craftsman as acting head. Among the only six workers in the department, three were middle-aged craftsmen over thirty, the others were in their twenties. While the acting head himself was working very hard, two of the younger workers were playing together with toys. The superintendent on leave had been transferred from the old factory, but all of the six workers were recruited locally.

During my casual talk with workers in the metal department, we mentioned the proposal to introduce the internal contract. A worker aged twenty said: 'It is not my business, contracting or not. If my wage is lowered as a result of the contract, I will leave. I very much hope it can give rise to another strike. '

At 4.15 p.m., when I walked into the workshop of the lacquering department, some workers were sitting on the ground at the entrance, while some others kept working inside. The scene was very similar to the same department in the old plant

where a group of workers were also chatting casually when I visited them one afternoon in November 2005.

### **From Shen Zhen to Hui Zhou: Spaces of Capital and Labour**

After thirty years of industrialization, when Shen Zhen had become one of the country's most metropolitan cities, migrant workers in the city also developed the highest level of consciousness of their rights and interests. The Sun factory's relocation of part of its production from Shen Zhen to Hui Zhou was driven by the same dynamics as the industrial relocation from the West to Asian tiger economies in the 1970s, and from Asian tigers to China since the 1980s. As Harvey (2001) illuminated, space is central to our understanding of the history and struggle of capital and labour. Globalisation is a persistent social process of capital searching for less organized labour, lower legal and law enforcement standards, and cheaper land and environment to satisfy the need of its accumulation. Certainly Hui Zhou provided much cheaper land, labour, and tax cost for global capital due to a lower level of economic development and the local state's strategy to compete for investment.

However, as workers enjoyed freedom of movement to some extent, there was a trend for them to travel from a place with poor working conditions to another with better ones. The flow of capital for lower cost in the history of capitalism was accompanied by a continually changing pattern of labour migration for better working and living conditions (Cohen, 1987). Both workers and management in the PRD explained the shortage of labour by workers in the region moving to the YRD where a higher wage was provided. This also explained why the Hui Zhou plant



found it more difficult to recruit and keep ordinary workers than the Shen Zhen plant, although skilled and experienced workers were greatly desired by both due to the high turnover rate. As a result, a more active recruitment strategy was employed in Hui Zhou to bring in workers directly from their schools and home counties. Despite the fact that the supply of migrant workers seemed to be unlimited in the early 1990s (Lee, 1998), rapid economic growth had promptly pushed up the demand, but not necessarily the wages, for labour as Lewis's (1954) classic study predicted.<sup>51</sup> To a large extent, the level of wages was a result of class struggle in specific social spaces, as Friedman (1977) suggested.

Comparing the Hui Zhou and Shen Zhen plants, it was not hard to find a contradiction. While physical infrastructure was more advanced and modern in Hui Zhou, its labour practices were more alienated and inhuman. As being an ideal site for social audit from buyer TNCs and OHS was one of the key elements in the labour inspection, we could understand that the slogans 'Paying no attention to safety is like killing a hen for its eggs!' and 'The most enthusiastic team services our customers with the most sincerity' were not only posted for workers but also for inspectors and auditors. But the automatic assembly belt and robotic arms were undoubtedly installed to exert more control over working bodies. With these new technologies, workers had to perform more routine and boring tasks at a faster pace and while standing in some departments. The large drill ground was not provided for workers' leisure activity and physical exercise, but to impose military discipline on

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<sup>51</sup> According to orthodox economists, as soon as demand for labour is increased, wages will also go up assuming labour supply is constant. But Lewis argued that demand for labour will increase as a result of economic growth in the developing countries, but wages will not go up immediately. As a result, there is a period of low pay and labour shortage which we saw in China.

them. In Shen Zhen, informal control relying on locality networks was much more prevalent than in Hui Zhou where Taiwanese management exercised more direct control by formal regulations. In the history of western industry, Taylorism was regarded as a technical precondition for Fordism. In contemporary China, however, technical Taylorism was exploited to reinforce a coercive labour regime, as we saw in this case.

To rebel against the despotic regime, workers in Hui Zhou needed time and experience to forge a strategy and consciousness in line with their Shen Zhen counterparts. Apparently, experience transferred from Shen Zhen through interpersonal networks of skilled and supervisory workers had played an important role in the development of workers' protest in Hui Zhou. The close similarities of strike and struggle strategies had been evidenced in Hui Zhou, although organising scale and impact was still small compared to Shen Zhen.

## **Concluding Remarks**

In this chapter, I have tried to provide an account of the condition, organization, and social functions of migrant workers' protests and their relationship with the geographical movement of both capital and labour in contemporary China by describing the case of the Sun factory.

Wang and Luo in Shen Zhen and the twenty year-old lacquering worker in Hui Zhou who I quoted at the beginning of this chapter, as well as the invitation of the Hai Nan girl in Hui Zhou for me to lead their strike, all confirmed an industrial sociological notion: the necessity and essentiality of leadership in the strike. In the modern western world, it was the union shop stewards who took a leading role

behind the wildcat strikes (Gouldner, 1954; Hyman, 1989). In contemporary China, this function was borne by the locality, community, and gang-based informal network of skilled and supervisory workers. Their privileged position was explained well by their power on the shop floor, in the labour market, and in the community. First, top Taiwanese management needed the assistance from supervisory staff to transform 'labour power' into 'labour', in the words of Marx (1967: 177), while supervisory staff needed co-operation from skilled workers to make production more efficient. Second, the growing 'shortage of labour' and the option of 'exit' as a way out under an expanding economy has encouraged the aspirations, confidence, and militancy of skilled workers and to a lesser extent even ordinary workers in Hui Zhou, as illuminated well by the western studies of cases of industrial action (e.g. Franzosi, 1995; Kelly, 2002). Third, gangsters' activism in Militant village had resulted in a higher level of militancy among workers and the militancy was transferred to Hui Zhou. This finding contested the careless observation of describing the migrant workers' actions as 'more individual' (Lee, 2002a: 217), or 'spontaneous', 'randomness' and 'sporadic' (Lee, 2002b: 62-63).

While leadership plays an essential role, both an immediate cause affecting workers' general interests and workers' lasting discontent embedded in the labour process were conditions leading to the strike. As soon as the workers' general grievances are articulated as a common demand during a critical moment, a 'culture of solidarity' with a sense of injustice emerged among the workers (Fantasia, 1988). In this case, we saw that 'pay wages according to the law' and 'guarantee Sunday work' were examples of common demands, while the new attendance policy and

worry about reduction in income were critical moments of immediate cause. In other words, a strike always has its rationality (Hyman, 1989), ordinary workers are not passively mobilized by the strike organizers, but rather they are active creators and constructors of 'cultures of solidarity' during the strike, as Fantasia (1988: 20) has suggested. Honig (1986) and Hershatter (1986) argued that a strike is not an ideal scenario to study class-consciousness, as workers' participation might be, for example, forced by gangsters, or motivated by traditional loyalty, rather than modern class-consciousness. But as this case shows, even though workers were forced by the gangsters to stop work at the beginning, they were well aware that it was in their own interest to do so. In Shen Zhen, the organizers used banners and amplifiers to call others to join the demonstration, all of the participants joined in voluntarily. Some of the workers did not join, but this was more because of their comparatively weaker 'marketplace bargaining power' and 'workplace bargaining power', in Wright's (2000) terms, than lack of consciousness. In Hui Zhou, the hidden self-interest of the outgoing workshop supervisor should come to terms with the general workers' interests in a guarantee of Sunday work. In the words of the young worker from Xi An: 'If our wage could not be raised, neither could theirs [the supervisors'] and vice versa.' Workers well understood their interests were the same, although the wage structure and standards were different.

While Olson's (1971) influential *Logic of Collective Action* assumed a rational process of individual-based interest maximization behind a collective action, recently Kelly (2002) argued that the mobilization theory of Tilly (1978) and McAdam (1988) was more powerful in explaining industrial militancy in both short



and historical terms. Tilly (1978) contested that collective action was a balanced consideration of interest, organization, mobilization, and opportunity. McAdam (1988) added that it was a sense of injustice that gave rise to workers' collective action. This study confirmed that the sense of 'injustice' and confidence developed from industrial masculinity was one of the prominent factors accounting for workers' enthusiasm in the protest. In the words of Xiao Lin, workers attended the rally just for 'fun' or 'letting off steam', while Chen conceded that the unfair treatment of their department superintendents was an important reason that drove him to protest and resignation. However, Qi said that he would 'sit down somewhere to watch' if there was a similar conflict with police. Experience could reconstruct the balance between workers' emotional 'justice' and rational interest. Attention should also be paid to the fact that in all of the strikes and complaints documented in this chapter, there was always a very clear material demand articulated that was supported by the workers. Therefore, we should put the workers' language of 'justice' into a broader material context of collective interests.

By studying the collective actions of unorganized workers in the western sense, I attempted to bring rank-and-file collective workers as a key party in the analysis of industrial relations in China, as all of their actions bypassed the official trade union, but exerted big pressures and challenges on management and the state. While the local state responded to workers' activism by enhancing the wage standard and better enforcement of labour law, the management adopted new strategies, including new management regulations and production relocation to lower the production cost. However, workers' struggle strategy also changed over time due to a new legal,

social, economic, and political context. Significantly, workers in the new production site were also able to raise confidence and consciousness with workers' collective experiences which was transferable by interpersonal networks.

This case also showed that although the native place boundary and its attached gangsters were usually exploited by management to divide and pacify workers, they could function in the interests of workers when their structural power was increased. The strike was a significant turning point of the changing power relations in the workplace, community, and society. The dynamics of this transformation came from the enhancement of migrant workers' 'marketplace bargaining power' and 'workplace bargaining power' due to the further development of global capitalism in China. Their wage standard, for example, was significantly increased after the strike. It can be accounted for by two reasons: first, the shortage of labour or workers' 'marketplace bargaining power'; second, the wave of strikes or workers' 'workplace bargaining power'. The high turnover rate and the consistency of resistance in the workplace are new forms of workers' struggle that reshape the class power balance. However, workers' associational power in China is still fundamentally weak. The trade union which was formed in this case did not play its primary role. Without a representative body in the workplace to channel the interests of workers, workers understandably staged other forms of protests, from quitting and complaints to stoppages, strikes, and demonstrations, to express their grievances. This has made the workplace relationships highly unstable (C. Chan, 2009 forthcoming). In the next chapters, I will continue to explore the possibility and limitation of class solidarity

and class organizations in contemporary China's global factory, with reference to state power, civil society, and workers' collective experience.